

943. Also, petition of C. W. Ogden and 28 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

944. By Mr. HANCOCK: Resolution adopted by the Board of Supervisors of Onondaga County, N. Y., in support of House bill 2232 and Senate bill 101; to the Committee on Labor.

945. By Mr. KEARNEY: petition containing the signatures of 22 citizens of the Thirty-first Congressional District, State of New York, advocating the enactment by the Congress of the Pace bill, H. R. 752; to the Committee on Military Affairs.

SENATE

WEDNESDAY, JUNE 13, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God and merciful Father, as around the world the battlements of tyranny tremble and we see Thy righteous sentence, "They that take the sword shall perish by the sword," fulfilled before our eyes, deliver us from the supreme folly of trusting in the same foul forces we fight. Keep us from the delusion that external might can ever take the place of inner integrity. Open our eyes to the evils within ourselves which shut Thee out. Cleanse us from inner defilement which blinds our eyes to the divine. Save us, as individuals and as a nation, from the smug pride which misses the humble path of meekness, the one road to Thee. In the Redeemer's name. Amen.

THE JOURNAL

On motion of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 12, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 12, 1945, the President had approved and signed the act (S. 510) to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, in which it requested the concurrence of the Senate.

ADDRESS DELIVERED BY GENERAL EISENHOWER ON ACCEPTING HONOR CONFERRED BY THE CITY OF LONDON

Mr. GEORGE. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD the address delivered by Gen. Dwight D. Eisenhower in accepting the distinction and honor of the freedom of the city of London conferred upon him yesterday.

His address should be read by every American citizen, because it deserves to be ranked with classic literature and because it stamps General Eisenhower as a diplomat and as a statesman of the first order. It is one of the remarkable addresses of the present time, delivered by any American or by a citizen of any other nation. I therefore ask that it be incorporated in the RECORD.

The PRESIDENT pro tempore. Without objection, the address will be printed in the RECORD.

General Eisenhower's address is as follows:

The high sense of distinction I feel in receiving this great honor from the city of London is inescapably mingled with feelings of profound sadness. All of us must always regret that your great country and mine were ever faced with the tragic situation that compelled the appointment of an Allied commander in chief, the capacity in which I have just been so extravagantly commended.

Humility must always be the portion of any man who receives acclaim earned in the blood of his followers and the sacrifices of his friends.

Conceivably a commander may have been professionally superior. He may have given everything of his heart and mind to meet the spiritual and physical needs of his comrades. He may have written a chapter that will glow forever in the pages of military history.

Still, even such a man—if he existed—would sadly face the facts that his honors cannot hide in his memories the crosses marking the resting places of the dead. They cannot soothe the anguish of the widow or the orphan whose husband or father will not return.

A SYMBOL OF ALLIED PEOPLE

The only attitude in which a commander may with satisfaction receive the tributes of his friends is in the humble acknowledgment that, no matter how unworthy he may be, his position is the symbol of great human forces that have labored arduously and successfully for a righteous cause. Unless he feels this symbolism and this rightness in what he has tried to do, then he is disregarding of courage, fortitude, and devotion of the vast multitude he has been honored to command. If all Allied men and women that have served with me in this war can only know that it is they whom this august body is really honoring today, then indeed I will be content.

This feeling of humility cannot erase, of course, my great pride in being tendered the freedom of London. I am not a native of this land. I come from the very heart of America. In the superficial aspects by which we ordinarily recognize family relationships, the town where I was born and the one where I was reared are far separated from this great city. Abilene, Kans., and Dennison, Tex., would together equal in size possibly one five-hundredth of a part of Greater London.

By your standards those towns are young, without your aged traditions that carry the roots of London back into the uncertainties of unrecorded history. To those people I am proud to belong.

But I find myself today, 5,000 miles from that countryside, the honored guest of a city whose name stands for grandeur and size throughout the world. Hardly would it seem possible for the London Council to have gone farther afield to find a man to honor with its priceless gift of token citizenship.

Yet kinship among nations is not determined in such measurements as proximity of size and age. Rather we should turn to those inner things—call them what you will—I mean those intangibles that are the real treasures freemen possess.

To preserve his freedom of worship, his equality before law, his liberty to speak and act as he sees fit, subject only to provisions that he trespass not upon similar rights of others—a Londoner will fight. So will a citizen of Abilene.

THE BASIS OF KINSHIP

When we consider these things, then the valley of the Thames draws closer to the farms of Kansas and the plains of Texas. To my mind, it is clear that when two peoples will face the tragedies of war to defend the same spiritual values, the same treasured rights, then in the deepest sense those two are truly related. So even as I proclaim my undying Americanism, I am bold enough and exceedingly proud to claim the basis of kinship to you of London.

And what man who has followed the history of this war could fail to experience an inspiration from the example of this city?

When the British Empire stood—alone but unconquered, almost naked but unafraid—to deny the Hitler hordes, it was on this devoted city that the first terroristic blows were launched.

Five years and eight months of war, much of it on the actual battle line, blitzes big and little, flying V-bombs—all of them you took in your stride. You worked, and from your needed efforts you would not be deterred. You carried on, and from your midst arose no cry for mercy, no wall of defeat. The Battle of Britain will take its place as another of your deathless traditions. And your faith and endurance have finally been rewarded.

You had been more than 2 years in war when Americans in numbers began swarming into your country. Most were mentally unprepared for the realities of war—especially as waged by the Nazis. Others believed that the tales of British sacrifice had been exaggerated. Still others failed to recognize the difficulties of the task ahead.

All such doubts, questions, and complacencies could not endure a single casual tour through your scarred streets and avenues. With awe our men gazed upon the empty spaces where once had stood buildings erected by the toil and sweat of peaceful folk. Our eyes rounded as we saw your women, serving quietly and efficiently in almost every kind of war effort, even with flask batteries. We became accustomed to the warning sirens which seemed to compel from the native Londoner not even a single hurried step. Gradually we drew closer together until we became true partners in war.

TWO EXPEDITIONS PREPARED

In London my associates and I planned two great expeditions—that to invade the Mediterranean and later that to cross the Channel. London's hospitality to the Americans, her good-humored acceptance of the added inconvenience we brought, her example of fortitude and quiet confidence in the final outcome—all these helped to make the supreme headquarters of the two Allied expeditions the smooth-working organizations they became.

They were composed of chosen representatives of two proud and independent peoples, each noted for its initiative and for its satisfaction with its own customs, manners, and methods. Many feared that those represent-

atives could never combine together in an efficient fashion to solve the complex problems presented by modern war.

I hope you believe we proved the doubters wrong. And, moreover, I hold that we proved this point not only for war—we proved it can always be done by our two peoples, provided only that both show the same good will, the same forbearance, the same objective attitude that the British and Americans so amply demonstrated in the nearly 3 years of bitter campaigning.

No man could alone have brought about this result. Had I possessed the military skill of a Marlborough, the wisdom of Solomon, the understanding of Lincoln, I still would have been helpless without the loyalty, vision, and generosity of thousands upon thousands of British and Americans.

Some of them were my companions in the high command. Many were enlisted men and junior officers carrying the fierce brunt of battle, and many others were back in the United States and here in Great Britain in London.

ONE GREAT TEAM

Moreover, back of us always our great national war leaders and their civil and military staffs that supported and encouraged us through every trial, every test. The whole was one great team. I know that on this special occasion 3,000,000 American men and women serving in the Allied Expeditionary Force would want me to pay a tribute of admiration, respect, and affection to their British comrades of this war.

My most cherished hope is that after Japan joins the Nazis in utter defeat, neither my country nor yours need ever again summon its sons and daughters from their peaceful pursuits to face the tragedies of battle. But—a fact important for both of us to remember—neither London nor Abilene, sisters under the skin, will sell her birthright for physical safety, her liberty for mere existence.

No petty differences in the world of trade, traditions, or national pride should ever blind us to our identities in priceless values.

If we keep our eyes on this guidpost, then no difficulties along our path of mutual cooperation can ever be insurmountable. Moreover, when this truth has permeated to the remotest hamlet and heart of all peoples, then indeed may we beat our swords into plowshares and all nations can enjoy the fruitfulness of the earth.

My Lord Mayor, I thank you once again for an honor to me and to the American forces that will remain one of the proudest in my memories.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask to be excused from the session of the Senate tomorrow in order that I may attend a very important conference at Chicago, Ill.

The PRESIDENT pro tempore. Is there objection to the request made by the Senator from Oregon? The Chair hears none, and the request is granted.

PETITION

The PRESIDENT pro tempore laid before the Senate the following resolution of the Senate of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Senate Resolution 75

Whereas the Territory of Hawaii is an integral part of the United States of America, has enjoyed an enlightened form of constitutional government under the best traditions of Anglo-American concepts of freedom for more than 100 years, and in the long period of years since annexation to the

United States of America has demonstrated its unity with the Nation, its devotion to the national ideals, and its full capacity for self-government; and

Whereas the people of this Territory have by plebiscite demonstrated their overwhelming desire that Hawaii become a State through the customary procedure by which the Congress has elevated other territories to statehood; and

Whereas the legislature of this Territory has repeatedly addressed the Congress asking that statehood be granted, thus carrying out the known and expressed sentiment of the people of Hawaii; and

Whereas provision has been made by this legislature to invite visits of congressional committees and groups to the Territory to acquaint the Congress of the United States with conditions and issues vitally affecting Hawaii in its relations to the National Government and to the Congress: Now, therefore, be it

Resolved by the Senate of the Twenty-third Session of the Legislature of the Territory of Hawaii, That this Senate does hereby express its complete belief in and support of statehood for Hawaii at the earliest possible moment; that this senate does hereby urge the Congress of the United States to take the steps necessary to elevate this Territory to a State; and that an invitation be, and it is hereby, extended to the Committee on Territories and Insular Affairs of the Senate of the Congress, to the Committee on the Territories of the House of Representatives of the Congress, or to such subcommittees thereof, respectively, as may be appointed, asking them to visit Hawaii upon the first opportune occasion to give further study and impetus to the program of statehood, and to give attention to any other matters of congressional interest and concern in Hawaii; and be it further

Resolved, That copies of this resolution be forwarded to the Secretary of the Interior, to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States of America, to the Committee on Territories and Insular Affairs of the Senate of the Congress, to the Committee on the Territories of the House of Representatives of the Congress, and to the Delegate to Congress from Hawaii.

THE SENATE OF THE Territory of Hawaii,

Honolulu, T. H., May 4, 1945.

We hereby certify that the foregoing resolution was this day adopted by the Senate of the Territory of Hawaii.

E. S. CAPELLAS,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.

REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. MURDOCK, from the Committee on Banking and Currency, to which was referred the bill (H. R. 2113) to amend the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Federal Farm Mortgage Corporation Act, the Servicemen's Readjustment Act of 1944, and for other purposes, reported it without amendment and submitted a report (No. 363) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARKLEY:

S. 1141. A bill to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain officers and employees

of the Smithsonian Institution, and for other purposes; to the Committee on Civil Service.

By Mr. GREEN:

S. 1142. A bill for the relief of Florence Barrows; to the Committee on Claims.

By Mr. PEPPER:

S. 1143. A bill for the relief of Harvey Shields; and

S. 1144. A bill for the relief of Willie H. Johnson; to the Committee on Claims.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. ROBERTSON submitted an amendment intended to be proposed by him to the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, was read twice by its title and referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Tom C. Clark, of Texas, to be Attorney General, vice Francis Biddle, resigned.

By Mr. GEORGE, from the Committee on Foreign Relations:

William D. Pawley, of Florida, to be Ambassador Extraordinary and Plenipotentiary to Peru;

Howard Donovan, of Illinois, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general;

Carl W. Strom, of Iowa, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul; and

Bartley P. Gordon, of Massachusetts, now a foreign-service officer of class 8 and a secretary in the diplomatic service, to be also a consul.

AUTHORIZATION FOR COMMITTEE ON AGRICULTURE AND FORESTRY TO MEET AT 2 O'CLOCK

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry may meet this afternoon at 2 o'clock to consider further the nomination of Mr. Claude R. Wickard to be Administrator of the Rural Electrification Administration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMERICAN FOREIGN POLICY—ADDRESS BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD a radio address on American foreign policy, delivered by him in Washington, D. C., on June 12, 1945, which appears in the Appendix.]

FULL EMPLOYMENT AND THE WHOLE- SALER—ARTICLE BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Full Employment and the Wholesaler," written by him and published in the March

1945 issue of the Hosiery Wholesaler, which appears in the Appendix.]

THE NEGRO AND THE POSTWAR MILITARY POLICY—ADDRESS BY JUDGE WILLIAM H. HASTIE

[Mr. CAPPER asked and obtained leave to have printed in the Record an address by Judge William H. Hastie, of the Howard University Law School, before the Select Committee of the House of Representatives on Postwar Military Policy, which appears in the Appendix.]

TRIBUTE TO THE LATE PRESIDENT ROOSEVELT BY MISS JUNE THOMSON

[Mr. GUFFEY asked and obtained leave to have printed in the Appendix of the Record a tribute to the late President Franklin D. Roosevelt by Miss June Thomson, which appears in the Appendix.]

WOMEN'S RIGHTS AND THE CONSTITUTION—LETTER BY MRS. EMMA GUFFEY MILLER

[Mr. GUFFEY asked and obtained leave to have printed in the Record a letter on the subject of women's rights and the Constitution, written by Mrs. Emma Guffey Miller, and published in the Philadelphia Evening Bulletin of April 12, which appears in the Appendix.]

POEM WRITTEN ON THE DEATH OF AN AVIATOR BY HIS MOTHER

[Mr. GUFFEY asked and obtained leave to have printed in the Record a poem entitled "The Navigator Is Young," written by Mrs. Mabel Poe Blyth, of Slippery Rock, Pa., which appears in the Appendix.]

STATUTE OF NEW INTERNATIONAL COURT OF JUSTICE

Mr. BURTON. At the time of my statement in the Senate yesterday in regard to the United Nations Conference at San Francisco there was not yet available in reliable form the statute of the new International Court of Justice as approved by Committee 1 of Commission 4. It is now available, and I ask unanimous consent that it be printed in the Record as appearing in the New York Times of the issue of June 13, 1945. It is subject to some slight correction, but nevertheless is the best available report of that important new statute, and it is largely reliable.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

ARTICLE 1

The International Court of Justice established by chapter VII of the charter as the principal judicial organ of the United Nations shall be constituted and shall function in accordance with the following provisions:

CHAPTER I. ORGANIZATION OF THE COURT

ARTICLE 2

The Court shall be composed of a body of independent judges, elected regardless of their nationality from among persons of high moral character, who possess the qualifications required in their respective countries for appointment to the highest judicial offices or are jurisconsults of recognized competence in international law.

ARTICLE 3

1. The Court shall consist of 15 members, no two of whom may be nationals of the same state or member of the United Nations.

2. A person who for the purposes of membership of the Court under this statute could be regarded as a national of more than one state or member of the United Nations shall be deemed to be a national of that state or

member in which he ordinarily exercises civil and political rights.

ARTICLE 4

1. The members of the Court shall be elected by the General Assembly and by the Security Council of the United Nations from a list of persons nominated by the national groups in the Permanent Court of Arbitration in accordance with the following provisions:

2. In the case of members of the United Nations not represented in the Permanent Court of Arbitration the lists of candidates shall be drawn up by national groups appointed for this purpose by their governments under the same conditions as those prescribed for members of the Permanent Court of Arbitration by article 44 of the Convention of The Hague of 1907 for the pacific settlement of international disputes.

3. The conditions under which a state which has accepted the statute of the Court but is not a member of the United Nations, may participate in electing the members of the Court shall, in the absence of a special agreement, be laid down by the General Assembly on the proposal of the Security Council.

ARTICLE 5

1. At least 3 months before the date of the election the Secretary General of the United Nations shall address a written request to the members of the Permanent Court of Arbitration belonging to the states which are parties to the present statute, and to the members of the national groups appointed under article 4, paragraph 2, inviting them to undertake, within a given time, by national groups, the nomination of persons in a position to accept the duties of a member of the Court.

2. No group may nominate more than four persons, not more than two of whom shall be of their own nationality. In no case may the number of candidates nominated by a group be more than double the number of seats to be filled.

ARTICLE 6

Before making these nominations, each national group is recommended to consult its highest court of justice, its legal faculties and schools of law, and its national academies and national sections of international academies devoted to the study of law.

ARTICLE 7

1. The Secretary General of the United Nations shall prepare a list in alphabetical order of all the persons thus nominated. Save as provided in article 12, paragraph 2, these shall be the only persons eligible.

2. The Secretary General shall submit this list to the General Assembly and to the Security Council.

ARTICLE 8

The General Assembly and the Security Council shall proceed independently of one another to elect the members of the Court.

ARTICLE 9

At every election, the electors shall bear in mind not only that the persons to be elected should individually possess the qualifications required but also that in the body as a whole the representation of the main forms of civilization and of the principal legal systems of the world should be assured.

ARTICLE 10

1. Those candidates who obtain an absolute majority of votes in the General Assembly and in the Security Council shall be considered as elected.

2. Any vote of the Security Council, whether for the election of judges or for the appointment of members of the conference envisaged in article 12 hereunder, shall be taken without any distinction between permanent and nonpermanent members of the council.

3. In the event of more than one national of the same state or member of the United Nations obtaining an absolute majority of the votes of both the General Assembly and of the Security Council, the eldest of these only shall be considered as elected.

ARTICLE 11

If, after the first meeting held for the purpose of the election, one or more seats remain to be filled, a second and, if necessary, a third meeting shall take place.

ARTICLE 12

1. If, after the third meeting, one or more seats still remain unfilled, a joint conference consisting of six members, three appointed by the General Assembly and three by the Security Council, may be formed at any time at the request of either the general assembly or the Security Council, for the purpose of choosing by the vote of an absolute majority one name for each seat still vacant, to submit to the General Assembly and the Security Council for their respective acceptance.

2. If the joint conference is unanimously agreed upon any person who fulfills the required conditions, he may be included in its list, even though he was not included in the list of nominations referred to in article 7.

3. If the joint conference is satisfied that it will not be successful in procuring an election, those members of the Court who have already been elected shall, within a period to be fixed by the Security Council, proceed to fill the vacant seats by selection from among those candidates who have obtained votes either in the General Assembly or in the Security Council.

4. In the event of an equality of votes among the judges, the eldest judge shall have a casting vote.

ARTICLE 13

1. The members of the Court shall be elected for 9 years, and of the judges elected at the first election the terms of five judges shall expire at the end of 3 years, and the terms of five more judges shall expire at the end of 6 years.

2. The judges whose terms are to expire at the end of the above-mentioned initial periods 3 and 6 years shall be chosen by lot to be drawn by the Secretary-General of the United Nations immediately after the first election has been completed.

3. The members of the Court shall continue to discharge their duties until their places have been filled. Though replaced, they shall finish any cases which they may have begun.

4. In the case of the resignation of a member of the Court, the resignation shall be addressed to the president of the Court for transmission to the Secretary-General of the United Nations. This last notification makes the place vacant.

ARTICLE 14

Vacancies shall be filled by the same method as that laid down for the first election, subject to the following provisions: the Secretary General of the United Nations shall, within 1 month of the occurrence of the vacancy, proceed to issue the invitations provided for in article 5, and the date of the election shall be fixed by the Security Council.

ARTICLE 15

A member of the Court elected to replace a member whose term of office has not expired shall hold office for the remainder of his predecessor's term.

ARTICLE 16

1. No member of the Court may exercise any political or administrative function, or engage in any other occupation of a professional nature.

2. Any doubt on this point shall be settled by the decision of the Court.

ARTICLE 17

1. No member of the Court may act as agent, counsel, or advocate in any case.

2. No member may participate in the decision of any case in which he has previously taken part as agent, counsel, or advocate for one of the contesting parties, or as a member of a national or international court, or of a commission of inquiry, or in any other capacity.

3. Any doubt on this point shall be settled by the decision of the Court.

ARTICLE 18

1. No member of the Court can be dismissed unless, in the unanimous opinion of the other members he has ceased to fulfill the required conditions.

2. Formal notification thereof shall be made to the Secretary-General of the United Nations by the registrar.

3. This notification makes the place vacant.

ARTICLE 19

The members of the Court, when engaged on the business of the Court, shall enjoy diplomatic privileges and immunities.

ARTICLE 20

Every member of the Court shall, before taking up his duties, make a solemn declaration in open Court that he will exercise his powers impartially and conscientiously.

ARTICLE 21

1. The Court shall elect its president and vice president for 3 years; they may be re-elected.

2. It shall appoint its registrar and may provide for the appointment of such other officers as may be necessary.

ARTICLE 22

1. The seat of the Court shall be established at The Hague. This, however, shall not prevent the Court from sitting and exercising its functions elsewhere whenever the Court considers it desirable.

2. The president and registrar shall reside at the seat of the Court.

ARTICLE 23

1. The Court shall remain permanently in session, except during the judicial vacations, the dates and duration of which shall be fixed by the Court.

2. Members of the Court are entitled to periodic leave, the dates and duration of which shall be fixed by the Court, having in mind the distance between The Hague and the home of each judge.

3. Members of the Court shall be bound, unless they are on regular leave or prevented from attending by illness or other serious reasons duly explained to the president, to hold themselves permanently at the disposal of the Court.

ARTICLE 24

1. If, for some special reason, a member of the Court considers that he should not take part in the decision of a particular case, he shall so inform the president.

2. If the president considers that for some special reason one of the members of the Court should not sit on a particular case, he shall give him notice accordingly.

3. If in any such case the member of the Court and the president disagree, the matter shall be settled by the decision of the Court.

ARTICLE 25

1. The full Court shall sit except when it is expressly provided otherwise.

2. Subject to the condition that the number of judges available to constitute the Court is not thereby reduced below 11, the rules of the Court may provide for allowing 1 or more judges, according to circumstances and in rotation, to be dispensed from sitting.

3. Provided always that a quorum of nine judges shall suffice to constitute the Court.

ARTICLE 26

1. The Court may from time to time form one or more chambers, composed of three or more judges as the Court may determine, for dealing with particular categories of cases;

for example, labor cases and cases relating to transit and communications.

2. The Court may at any time form a chamber for dealing with a particular case. The number of judges to constitute such a chamber shall be determined by the Court with the approval of the parties.

3. Cases shall be heard and determined by the chambers provided for in this article if the parties so request.

ARTICLE 27

A judgment given by any of the chambers provided for in articles 26 and 29 shall be a judgment rendered by the Court.

ARTICLE 28

The chambers provided for in articles 26 and 29 may, with the consent of the parties, sit and exercise their functions elsewhere than at The Hague.

ARTICLE 29

With a view to the speedy dispatch of business, the Court shall form annually a chamber composed of five judges, which, at the request of the parties, may hear and determine cases by summary procedure. In addition, two judges shall be selected for the purpose of replacing judges who find it impossible to sit.

ARTICLE 30

1. The Court shall frame rules for carrying out its functions. In particular, it shall lay down rules of procedure.

2. The rules of the Court may provide for assessors to sit with the Court or with any of its chambers, without the right to vote.

ARTICLE 31

1. Judges of the nationality of each of the contesting parties shall retain their right to sit in the case before the Court.

2. If the Court includes upon the bench a judge of the nationality of one of the parties, any other party may choose a person to sit as judge. Such person shall be chosen preferably from among those persons who have been nominated as candidates as provided in articles 4 and 5.

3. If the Court includes upon the bench no judge of the nationality of the contesting parties, each of these parties may proceed to choose a judge as provided in paragraph 2 of this article.

4. The provisions of this article shall apply to the case of articles 26 and 29. In such cases, the president shall request one or, if necessary, two of the members of the Court forming the chamber to give place to the members of the Court of the nationality of the parties concerned, and, failing such, or if they are unable to be present, to the judges specially appointed by the parties.

5. Should there be several parties in the same interest, they shall, for the purpose of the preceding provisions, be reckoned as one party only. Any doubt upon this point shall be settled by the decision of the Court.

6. Judges chosen as laid down in paragraphs 2, 3, and 4 of this article shall fulfill the conditions required by articles 2, 17 (paragraph 2), 20, and 24 of the present statute. They shall take part in the decision on terms of complete equality with their colleagues.

ARTICLE 32

1. Each member of the Court shall receive an annual salary.

2. The president shall receive a special annual allowance.

3. The vice president shall receive a special allowance for every day on which he acts as president.

4. The judges appointed under article 31, other than members of the Court, shall receive indemnities for each day on which they exercise their functions.

5. These salaries, allowances, and indemnities shall be fixed by the General Assembly of the United Nations. They may not be decreased during the term of office.

6. The salary of the registrar shall be fixed by the General Assembly on the proposal of the Court.

7. Regulations made by the General Assembly shall fix the conditions under which retiring pensions may be given to members of the Court and to the registrar, and the conditions under which members of the Court and the registrar shall have their traveling expenses refunded.

8. The above salaries, indemnities, and allowances shall be free of all taxation.

ARTICLE 33

The expenses of the Court shall be borne by the United Nations in such a manner as shall be decided by the General Assembly.

CHAPTER II. COMPETENCE OF THE COURT

ARTICLE 34

1. Only states or members of the United Nations may be parties in cases before the Court.

2. The Court, subject to and in conformity with its rules, may request of public international organizations information relevant to cases before it, and shall receive such information presented by such organizations on their own initiative.

3. Whenever the construction of the constituent instrument of a public international organization or of an international convention adopted thereunder is in question in a case before the Court, the registrar shall so notify the public international organization concerned and shall communicate to it copies of all the written proceedings.

ARTICLE 35

1. The Court shall be open to the members of the United Nations and also to states parties to the present statute.

2. The conditions under which the Court shall be open to other states shall, subject to the special provisions contained in treaties in force, be laid down by the Security Council, but in no case shall such conditions place the parties in a position of inequality before the Court.

3. When a state which is not a member of the United Nations is a party to a case, the Court shall fix the amount which that party is to contribute toward the expenses of the Court. This provision shall not apply if such state is bearing a share of the expenses of the Court.

ARTICLE 36

1. The jurisdiction of the Court comprises all cases which the parties refer to it and all matters specially provided for in the charter of the United Nations or in treaties and conventions in force.

2. The members of the United Nations and the states parties to the present statute may at any time declare that they recognize as compulsory *ipso facto* and without special agreement, in relation to any other member or state accepting the same obligation, the jurisdiction of the court in all legal disputes concerning:

(A) The interpretation of a treaty.

(B) Any question of international law.

(C) The existence of any fact which, if established, would constitute a breach of an international obligation.

(D) The nature or extent of the reparation to be made for the breach of an international obligation.

3. The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain members or states, or for a certain time.

4. This declaration shall be deposited with the Secretary-General of the United Nations, who shall transmit a copy thereof to the parties to the statute and to the registrar of the Court.

5. Declarations made under article 36 of the Statute of the Permanent Court of International Justice and which are still in force shall be deemed, as between the parties to the present statute, to be acceptances of the

compulsory jurisdiction of the International Court of Justice for the period during which they still have to run and in accordance with their terms.

6. In the event of a dispute as to whether the Court has jurisdiction, the matter shall be settled by the decisions of the Court.

ARTICLE 37

Whenever a treaty or convention in force between the parties to this statute provides for reference of a matter to a tribunal to have been instituted by the League of Nations, or to the Permanent Court of International Justice established by the protocol of December 16, 1920, amended September 14, 1929, the matter shall be referred to the International Court of Justice.

ARTICLE 38

1. The Court, whose function is to decide in accordance with international law such disputes as are submitted to it, shall apply:

(A) International conventions, whether general or particular, establishing rules expressly recognized by the contesting states.

(B) International custom, as evidence of a general practice accepted as law.

(C) The general principles of law recognized by civilized nations.

(D) Subject to the provisions of article 59, judicial decisions and the teachings of the most highly qualified publicists of the various nations, as subsidiary means for the determination of rules of law.

2. This provision shall not prejudice the power of the Court to decide a case *ex aequo et bono*, if the parties agree thereto.

CHAPTER III. PROCEDURE

ARTICLE 39

1. The official languages of the Court shall be French and English. If the parties agree that the case shall be conducted in French, the judgment shall be delivered in French. If the parties agree that the case shall be conducted in English, the judgment shall be delivered in English.

2. In the absence of an agreement as to which language shall be employed, each party may in the pleadings, use the language which it prefers; the decision of French and English. In this case the court shall at the same time determine which of the two texts shall be considered as authoritative.

3. The Court shall at the request of any party, authorize a language other than French or English to be used by that party.

ARTICLE 40

1. Cases are brought before the Court, as the case may be, either by the notification of the special agreement or by a written application addressed to the registrar. In either case the subject of the dispute and the contesting parties shall be indicated.

2. The registrar shall forthwith communicate the application to all concerned.

3. He shall also notify the members of the United Nations through the secretary-general and also any states entitled to appear before the Court.

ARTICLE 41

1. The Court shall have the power to indicate, if it considers that circumstances so require, any provisional measures which ought to be taken to preserve the respective rights of either party.

2. Pending the final decision, notice of the measures suggested shall be forthwith be given to the parties and the Security Council.

ARTICLE 42

1. The parties shall be represented by agents.

2. They may have the assistance of counsel or advocates before the Court.

3. The agents and counsel of parties before the Court shall enjoy the privileges and immunities necessary to the independent exercise of their duties.

ARTICLE 43

1. The procedure shall consist of two parts: written and oral.

2. The written proceedings shall consist of the communication to the Court and to the parties of memorials, counter-memorials and, if necessary, replies; also all papers and documents in support.

3. These communications shall be made through the registrar, in the order and within the time fixed by the Court.

4. A certified copy of every document produced by one party shall be communicated to the other party.

5. The oral proceedings shall consist of the hearing by the Court of witnesses, expert, agents, counsel, and advocates.

ARTICLE 44

1. For the service of all notices upon persons other than the agents, counsel, and advocates, the Court shall apply direct to the government of the state upon whose territory the notice has to be served.

2. The same provision shall apply whenever steps are to be taken to procure evidence on the spot.

ARTICLE 45

The hearing shall be under the control of the president or, if he is unable to preside, of the vice president; if neither is able to preside, the senior judge present shall preside.

ARTICLE 46

The hearing in Court shall be public, unless the Court shall decide otherwise, or unless the parties demand that the public be not admitted.

ARTICLE 47

1. Minutes shall be made at each hearing and signed by the registrar and the president.

2. These minutes alone shall be authentic.

ARTICLE 48

The Court shall make orders for the conduct of the case, shall decide the form and time in which each party must conclude its arguments, and make all arrangements connected with the taking of evidence.

ARTICLE 49

The Court may, even before the hearing begins, call upon the agents to produce any document or to supply any explanations. Formal notice shall be taken of any refusal.

ARTICLE 50

The Court may, at any time, entrust any individual, body, bureau, commission, or other organization that it may select with the task of carrying out an inquiry or giving an expert opinion.

ARTICLE 51

During the hearing any relevant questions are to be put to the witnesses and experts under the conditions laid down by the Court in the rules of procedure referred to in article 30.

ARTICLE 52

After the Court has received the proofs and evidence within the time specified for the purpose, it may refuse to accept any further oral or written evidence that one party may desire to present unless the other side consents.

ARTICLE 53

1. Whenever one of the parties does not appear before the Court, or fails to defend his case, the other party may call upon the Court to decide in favor of his claim.

2. The Court must, before doing so, satisfy itself, not only that it has jurisdiction in accordance with articles 36 and 37 but also that the claim is well founded in fact and law.

ARTICLE 54

1. When, subject to the control of the Court, the agents, advocates, and counsel

have completed their presentation of the case, the president shall declare the hearing closed.

2. The Court shall withdraw to consider the judgment.

3. The deliberations of the Court shall take place in private and remain secret.

ARTICLE 55

1. All questions shall be decided by a majority of the judges present.

2. In the event of an equality of votes, the president or the judge who acts in his place shall have a casting vote.

ARTICLE 56

1. The judgment shall state the reasons on which it is based.

2. It shall contain the names of the judges who have taken part in the decision.

ARTICLE 57

If the judgment does not represent in whole or in part the unanimous opinion of the judges, any judge shall be entitled to deliver a separate opinion.

ARTICLE 58

The judgment shall be signed by the President and by the registrar. It shall be read in open court, due notice having been given to the agents.

ARTICLE 59

The decision of the Court has no binding force except between the parties and in respect of that particular case.

ARTICLE 60

The judgment is final and without appeal. In the event of dispute as to the meaning or scope of the judgment, the Court shall construe it upon the request of any party.

ARTICLE 61

1. An application for revision of a judgment may be made only when it is based upon the discovery of some fact of such a nature as to be a decisive factor, which fact was, when the judgment was given, unknown to the Court and also to the party claiming revision, always provided that such ignorance was not due to negligence.

2. The proceedings for revision shall be opened by a judgment of the Court expressly recording the existence of the new fact, recognizing that it has such a character as to lay the case open to revision, and declaring the application admissible on this ground.

3. The Court may require previous compliance with the terms of the judgment before it admits proceedings in revision.

4. The application for revision must be made at latest within 6 months of the discovery of the new fact.

5. No application for revision may be made after the lapse of 10 years from the date of the judgment.

ARTICLE 62

1. Should a state consider that it has an interest of a legal nature which may be affected by the decision in the case, it may submit a request to the Court to be permitted to intervene.

2. It shall be for the Court to decide upon this request.

ARTICLE 63

1. Whenever the construction of a convention to which states other than those concerned in the case are parties is in question, the registrar shall notify all such states forthwith.

2. Every state so notified has the right to intervene in the proceedings; but if it uses this right, the construction given by the judgment will be equally binding upon it.

3. Unless otherwise decided by the Court, each party shall bear its own costs.

CHAPTER IV. ADVISORY OPINIONS

ARTICLE 64

1. The Court may give an advisory opinion on any legal question at the request of what-

every body may be authorized by or in accordance with the charter of the United Nations to make such a request.

2. Questions upon which the advisory opinion of the Court is asked shall be laid before the Court by means of a written request which shall contain an exact statement of the question upon which an opinion is required, and shall be accompanied by all documents likely to throw light upon the question.

ARTICLE 66

1. The registrar shall forthwith give notice of the request for an advisory opinion to the members of the United Nations, through the Secretary-General of the United Nations, and to any states entitled to appear before the Court.

2. The registrar shall also, by means of a special and direct communication, notify any member of the United Nations or state entitled to appear before the Court or international organization considered by the Court (or, should it not be sitting, by the president) as likely to be able to furnish information on the question, that the Court will be prepared to receive, within a time limit to be fixed by the president, written statements, or to hear at a public sitting to be held for the purpose, oral statements relating to the question.

3. Should any member of the United Nations or state entitled to appear before the Court have failed to receive the special communication referred to in paragraph 2 of this article, such member or state may express a desire to submit a written statement or to be heard; and the Court will decide.

4. Members, states, and organizations having presented written or oral statements or both shall be permitted to comment on the statements made by other members, states, or organizations in the form, to the extent, and within the time limits which the Court, or, should it not be sitting, the president, shall decide in each particular case. Accordingly the registrar shall in due time communicate any such written statements to members, states, and organizations having submitted similar statements.

ARTICLE 67

The Court shall deliver its advisory opinions in open court, notice having been given to the Secretary-General of the United Nations and to the representatives of members of the United Nations of states and of international organizations immediately concerned.

ARTICLE 68

In the exercise of its advisory functions the Court shall further be guided by the provisions of the present statute which apply in contentious cases to the extent to which it recognizes them to be applicable.

CHAPTER V. AMENDMENT

ARTICLE 69

The framing and bring into force of amendments to the present statute shall be effected by the same procedure as is provided by the charter of the United Nations for amendments to that charter, subject, however, to any provisions which the General Assembly may adopt concerning the participation of states parties to the statute, but not members of the United Nations.

ARTICLE 70

The Court shall have power to propose such amendments to the present statute as it may deem necessary, through written communications to the Secretary-General of the United Nations, for their consideration conformably with the provisions of the preceding article.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section

350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. ROBERTSON. Mr. President, I submit an amendment to H. R. 3240, now pending, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BILBO obtained the floor.

Mr. SMITH. Mr. President—

Mr. BILBO. I yield to the Senator from New Jersey.

Mr. BARKLEY. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Myers
Austin	Guffey	O'Daniel
Ball	Hart	O'Mahoney
Bankhead	Hatch	Overton
Barkley	Hayden	Pepper
Bilbo	Hill	Radcliffe
Brewster	Hoey	Reed
Bridges	Johnson, Calif.	Robertson
Eriggs	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	La Follette	Smith
Burton	Langer	Taft
Bushfield	Lucas	Thomas, Okla.
Butler	McCarran	Thomas, Utah
Capper	McKellar	Tobey
Chavez	Magnuson	Tunnell
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Ellender	Mitchell	Wherry
Ferguson	Moore	White
Fulbright	Morse	Wiley
George	Murdock	Wilson
Gerry	Murray	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE] is absent because of a death in his family.

The Senator from Connecticut [Mr. McMAHON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Idaho [Mr. THOMAS] is absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. SMITH. Mr. President, I desire to address the Senate on the pending bill providing for extension of the Reciprocal Trade Agreements Act.

I

It is my considered judgment that the Reciprocal Trade Agreements Act should be extended for the immediate future. The question of the extension of the act is tied up with our postwar foreign policy and I find myself compelled, therefore, to think of San Francisco, the Bretton Woods monetary proposals, the reciprocal-trade program and other similar international matters as all in the same category.

The postwar situation is one that demands new vision and new perspective. We must really start from scratch. We must think in terms of the future peace of the world and of contributing our strength and our vision to the setting up of international relationships which will lead to the peaceful and judicial settlement of international disputes and differences. This must not be a partisan approach. It is an all-American problem.

Mr. President, I want to emphasize my conviction that in discussing this matter we must set aside partisanship.

In this connection, I like to think of the difference between what we see through a telescope and a microscope. With a telescope we can get a distant view of the heights that we hope some day to attain. With a microscope, as important as it is to increase our knowledge and make us think accurately, we enlarge tiny things which may unfortunately look so large that we may be diverted from our ultimate objective.

I would not be true to my own deepest convictions or to my responsibility to my constituency if I did not keep ever in front of me the long view through the telescope. At this vital hour in our history, the short-range microscopic analysis is not adequate.

Most of my colleagues already know of my keen interest in these world questions. My campaign last fall was built largely around my conviction that our

country must accept its share of responsibility for the setting up and supporting of a world organization to preserve the peace. But before my election and since, I have considered it a responsibility and a privilege to present to the people of New Jersey and other audiences the implications of the world situation and, as I saw it, the international responsibility and opportunity of our own country.

In the United States we have witnessed the amazing evolution of a great national conviction that the road ahead for America is the acceptance of our share of responsibility for the future peace.

In my talks and participation in open forums on this subject, I have endeavored to point out that there have been successive milestones on this road to peace, and among those milestones I have indicated first the progress of our Republican Party at the meetings of the national committee in 1942, the Mackinac Conference of 1943, and the national convention of 1944. I have pointed out also the more important bipartisan action taken by the House and Senate in the respective Fulbright and Connally resolutions and the particularly important milestone set up by the administration by Secretary Hull's able handling of the Moscow Conference in the fall of 1943, the Teheran and Cairo Conferences, the Dumbarton Oaks discussions in the late summer of 1944, the Yalta and Mexican Conferences of 1945 and now the San Francisco Conference.

This succession of events must be looked upon, as I suggested before, as milestones on the road to peace. If we look upon them as milestone on a road that we are traveling and bear in mind that no one of these milestones is a final destination, we can get the right perspective of the entire movement. This perspective, this vision, will make us realize that what we are seeking is not final perfection this early in our gropings for a new world, but rather progress. Yalta was a very distinct milestone in this progress, with all its limitations and with all its subsequent misunderstandings. There are real difficulties at San Francisco and there will be more before that Conference comes to an end, but I predict without fear of contradiction that San Francisco will be another and significant milestone and will take us far along the road. Let us not expect perfection, but let us expect progress and let us rejoice when that progress is made. And let us ever have the courage to blaze new trails.

II

Presently the Charter of San Francisco will be brought back to the Senate for ratification by the required two-thirds vote. The most effective attack that can be made on that treaty will be made by those who will point out this difficulty, that difficulty and the other difficulty, and who may maintain that, with these difficulties, the treaty is imperfect and therefore should not be ratified. Or, in the alternative, reservations may be demanded which by their very nature may prevent acceptance by the other participating nations.

We will have the voting issue, the veto issue, the Polish issue, the trusteeship issue, and other issues that will rightly be-

long to the peace conference, and these issues may lead us off our road and blind us to our fundamental responsibility to continue to move ahead in the direction in which we have been moving—the setting up of continual milestones on the road to peace and security.

San Francisco then is vitally important. And I have full confidence in those who are representing us there. As a member of the United States Senate, I feel our attitude in considering the treaty soon coming to us for ratification, must be both positive and constructive. This does not mean that we should not examine that treaty with the greatest care. That is our responsibility. That is the kind of microscopic study that is most important, but it must not take us off the road. Our whole approach to the debate must be with the telescopic end in view that we will ratify. Anything less than ratification by the United States of America would let down the whole world at this time of its travail and anxiety.

III

And so I want to go on record personally before my colleagues as supporting this primary political step in our progress. And in the same spirit in which I approach this decision, I want to approach the issue of international economic collaboration as an issue which is only second in importance to political collaboration. In this category we find the reciprocal trade agreements program and the Bretton Woods proposals. These procedures, as I see them, are additional milestones on the road to peace. On another occasion I plan to discuss the Bretton Woods proposals in a similar spirit, but today I wish to devote my attention to the reciprocal-trade agreements.

And let me suggest here that, as in the case of the San Francisco political proposals, it will be most unfortunate if partisanship enters into our discussions of these economic proposals. If we need political collaboration to preserve the future peace of the world, I am beginning to see from my studies that we will need economic understandings, if we are to lay the foundation for preventing the causes of future wars. This must have nothing to do with Republican or Democratic party policies. Everything having to do with our foreign affairs must be American and not partisan.

IV

Now, let us consider the Reciprocal Trade Agreements, and immediately set our thinking straight on one important point. This must not be a debate on high-tariff protection versus free trade, as most of my correspondents seem to think it is. I am not a free trader. I believe in scientific tariff protection. At the same time, I am an ardent supporter of the principle of tariff making involved in the trade agreement method, as opposed to the unilateral, tariff schedule making by Congressional logrolling. So let us first of all turn our telescope on the over-all objectives and the principle of agreement versus unilateral action.

The issue on this point is How do we want our trade relations with other nations determined? How can we most effectively protect and strengthen legiti-

mate American business and develop a sound all-around economy? After careful study of the entire situation, and especially the challenge of the postwar world, my conclusion is that the trade-agreement method of mutual benefit is the sound approach. And let me state right here that I am not satisfied with the machinery of the present method of preparing these agreements. The "most-favored-nation" clause has dangerous possibilities. We need a better understanding of the multilateral principle as opposed to the bilateral. I want to see what comes out of San Francisco along the lines of the Economic and Social Council proposed at Dumbarton Oaks. I believe there are great possibilities in the handling of international trade agreements through some form of Economic Union. We are groping for light, but I do not see how that light can come from our traditional, unilateral, high-tariff policy. Like begets like. Our movement back to unilateral protection undoubtedly would immediately throw the rest of the world into tariffs, quotas, embargoes and other barriers to world trade. This, as I see it, would mean isolationism, economic chaos and the threat of World War III. No—we must very definitely continue the principle of the trade agreements.

V

What we are facing is a fundamental decision that the United States must make and must make soon. Until that decision is made, we shall be in a "fog" with regard to such questions as our tariff policy and the international monetary stabilization policy. That decision is whether in the postwar period we do or do not favor a world-wide expansion of international trade in which we will be an active participant. Do we propose to expand our exports at a time when there will be a world-wide immediate demand for our production, and especially for the so-called durable goods—manufacturing machinery and other tools with which to produce? If our policy is expansion of export trade, how can we best lay the foundation for it in our foreign trade relations? Do we propose to make use of our greatly expanded merchant marine in the development of our overseas trade?

In my contacts and correspondence, I have encountered two different viewpoints—one opposed to and one strongly favoring the expansion of our foreign trade. I have sincerely tried to ascertain the views of my constituents, and I have discovered in my own State of New Jersey a genuine and understandable fear by some of our most important industries that any lowering of the tariff which may be contemplated by the Trade Agreements Act might cripple or even destroy those industries.

The general argument of this opposition is that the United States is the greatest market in the world, and that our first objective should be to keep this market for our American producers and not risk the influx of foreign goods made by cheap labor by opening our doors to importations. While this group, of course, believes in the development of our American export trade, it would limit

exports to the extent of paying for the importation of raw materials and manufactured goods which we do not ourselves produce. This group points out that our foreign trade has heretofore only been a small percentage of our total national production, and prior to the war approximated an income of about three to four billion dollars only, out of a national prewar income of upwards of \$80,000,000,000. This group favors the return to our traditional tariff policy, and consequently opposes the extension of the Reciprocal Trade Agreements Act, with its movement toward freer trade.

My other correspondents, who favor expanding our foreign trade, are those who, as might be expected, are engaged in the export trade. But also there is insistent support for an expanding world trade by those who are demanding that no stone shall be left unturned to bring about the full collaboration of the United States in the over-all economic and political program to preserve the future peace. This group favors trade expansion, because it feels that trade expansion helps international understanding. Furthermore, this group insists that we must expand our exports in light of our enormous productive capacity, if we are to find employment for all our people. It looks forward to a national, annual income of upward of \$125,000,000,000, and an increase of our foreign export business from the prewar three or four billion dollars to ten or twelve billion dollars. It favors a carefully administered adjustment of our tariffs to enable foreign countries to pay in goods—they have relatively little gold—for the exports they buy from us. Consequently it favors reciprocal trade agreements, under which both parties benefit, as distinguished from unilateral tariff schedules. This group favors the extension of carefully guarded credits to help other nations help themselves, and thus to expand world-wide production and the world-wide raising of living standards. It looks upon the basic principles of the Bretton Woods proposals as essential.

This group insists that the expansion of world-wide production and world-wide trade gives the best promise of enduring world peace.

The United States must decide and must decide promptly whether it is to take this road of international trade expansion, or the road of international trade contraction. This is a decision which will profoundly affect our future and the future of the world.

VI

After careful deliberation of all these issues, and conferences and correspondence with those in a position to understand the economic implications, it is my own conviction that the road of trade expansion is the road the United States should take. And that road can be most effectively taken if we continue the use of trade agreements in our trade relations.

Since I came to my own conclusions in this matter I have been encouraged and fortified in the soundness of this position by the action of many outstanding groups. I need cite only a few, but they are significant: The United States

Chamber of Commerce, Committee for Economic Development, Committee on International Economic Policy, Carnegie Endowment for International Peace, executives of both the American Federation of Labor, and the Congress of Industrial Organizations.

Believing that postwar world-trade expansion is the road the United States should take, I hope to see set up at San Francisco an Economic Council, as suggested in the Dumbarton Oaks proposals, which will explore this whole matter of international trade and will develop a program on which the participating nations can get together, having in mind, of course, the protection of their own respective internal situations. I also look forward ultimately to the development of an economic union which will be built along the lines of multilateral rather than merely bilateral trade agreements. In other words, I hope to see a prompt expansion of the trade-agreement principle by United Nations action.

VII

What will this do to my constituents in New Jersey? New Jersey is an industrial State—what might heretofore have been called a high-tariff State. I have heard from several industries, which are fearful of and opposed to the trade-agreement procedure: textiles, glass and china, chemicals, wire and cable, non-ferrous metals, leather, the pencil industry, and others.

Certainly these industries are of first importance and their interests must be carefully considered in any future trade policy which the United States may adopt.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WAGNER. Mr. President, the Committee on Banking and Currency held a rather late session today. I was unable to be present in the Chamber in answer to the quorum call. I should like to have my presence in the Chamber now recorded.

The PRESIDING OFFICER (Mr. HOEY in the chair). The RECORD will so show.

Mr. TOBEY. Mr. President, I make the same request on behalf of the Senator from Ohio [Mr. TAFT] and myself.

Mr. FULBRIGHT. Mr. President, I should like to be included in the same group.

The PRESIDING OFFICER. The RECORD will show the presence of the Senators named.

Mr. SMITH. Mr. President, I want to say to those industries in New Jersey, and to industries in other parts of the country, that, in my judgment, their interests can be better looked after by us, their Representatives here in Congress, under the reciprocal trade-agreements procedure than they could be under the old unilateral-tariff-schedule method. We will continue, of course, to have the battle between high- and low-tariff advocates, but I believe that can be carried on more effectively with the assistance of an expert tariff commission working with our State Department and the other departments now included in trade-agreement negotiations, than it could under

the old "you tickle me—I'll tickle you" formula.

Mr. BUSHFIELD. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes; I am glad to yield.

Mr. BUSHFIELD. Did I correctly understand the Senator to indicate by his remarks a moment ago that he favors the approval by the Congress of these trade agreements?

Mr. SMITH. I did not indicate that, but I have no great quarrel with the principle of having the agreements ultimately approved by Congress when we have revised the procedure. I have no quarrel with the application of that principle if it does not too greatly complicate the situation. However, I am not in favor of it now. I think we have an immediate task to do, and I think it will only complicate the picture if we bring that element into it.

Yesterday I listened with great interest to the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] and I am very much interested in the constitutional question which he raises. But personally I hope we do not go into that phase of the matter, because I think we are now facing an emergency situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. AIKEN. With regard to the approval of trade agreements by the Congress, is the Senator familiar with the number of trade treaties which have been approved by the Congress since the United States became a Nation?

Mr. SMITH. No; I do not think I have the figures in mind.

Mr. AIKEN. If I recall correctly, trade treaties of the nature which are obviously referred to have been approved by the Congress only three times. I am not sure of the exact number, and that is why I am asking for information. But, if I recall correctly, only three times have trade treaties of the nature now being discussed, which have been submitted to the Congress, been approved by the Congress. It is obvious that in treaties where 50 or 100 different articles might be involved, every group affected would bring its lobbies and pressure groups down on the Congress. If my information is correct, only about once in 50 years is it possible to get one of those agreements approved by the Congress.

Mr. SMITH. Mr. President, the distinguished Senator has stated very well my feeling that now, with the situation in which we find ourselves, we must trust to the Executive the handling of these matters, and not complicate the situation by insisting upon congressional approval, for the very reason the Senator has stated, namely, that there would be a return to the old logrolling system which prevailed heretofore when Congress undertook to write tariff schedules.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. FULBRIGHT. The Senator said he was impressed by the constitutional argument. He does not really feel that there is anything unconstitutional about the operation of the trade-agreement system, does he?

Mr. SMITH. No; I do not think so. I think the trade-agreement procedure can be operated properly within our constitutional system, and I am confident that important authorities have passed on that point.

Mr. President, I have examined my correspondence with care, and in no instance do I find evidence offered to show that any specific industry has been seriously injured by any reciprocal trade agreements heretofore written. I have received long and extended briefs and arguments indicating what may happen under certain assumed circumstances, but, as I said above, there has been no statement of any case that I recall where actual damage is alleged. I am advised that in certain industries in the United States a real injury has been suffered by existing trade agreements. I refer to the zinc industry, the lead industry, the watchmaking industry, and, as some claim, the cattle industry. There are, doubtless, others where there has been actual injury and which may have offered their evidence at the various hearings before the Congress, which I have not had the opportunity yet to explore. The point which I wish to emphasize, however, is that practically all the arguments turn on the old protection versus free-trade debate, rather than on any definite showing of harm actually done. And certainly where injury may have resulted, it can be more easily remedied under the trade-agreement procedure than under the old tariff-making formula.

I do not admit for a moment that we cannot have injuries remedied by dealing with the departments that are handling these agreements. The agreements are written for only 3 years, and we are feeling our way.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TOBEY. Along the lines on which the Senator is now speaking, we have in documentary form the word of the President of the United States that under his jurisdiction as President, during his term of office, no such injury will accrue to American business. I suppose the Senator was aware of that.

Mr. SMITH. I was; but I thank the Senator for stating it for the RECORD.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TAFT. Of course, if that argument were carried to an extreme it would authorize the approval by Congress of every conceivable measure which authorized the delegation of power. A fundamental principle of mine, and I think of most Senators, is that the authority of Congress shall not be delegated. The theory that delegated authority will not be improperly used, if we subscribe to it, is an argument, if at all, which destroys any value of our effort to lay down standards and to prescribe rules by which the Executive action shall be determined.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TOBEY. With the permission of the Senator from New Jersey, I address my question to the Senator from Ohio.

Is it not a fact that during the last 7 years of the dire emergency which has existed throughout the world, he and most of the rest of us who have been working during this period have joined in the delegation of power and have had a satisfaction in doing so?

Mr. TAFT. I will say in answer to the Senator that I never had a satisfaction in doing so.

Mr. TOBEY. Then the Senator did it in dissatisfaction; did he?

Mr. TAFT. I have only done it with reference to the armed forces of the United States engaged in the war. I have opposed every delegation of authority for emergency purposes or other purposes in connection with which Congress does not lay down an express standard to govern the Executive authority. The argument that we are perfectly safe because the President says, "I will not use these powers; I will not do anything wicked under this bill," certainly is utterly unsound, and is contrary to every principle of the Democratic Party, of the Republican Party, and of constitutional government.

Mr. TOBEY. Mr. President, will the Senator from New Jersey permit me to make a further statement, speaking now to my friend the Senator from Ohio?

Mr. SMITH. I yield.

Mr. TOBEY. I have the highest regard for the Senator from Ohio, as he knows. I should like to cite again, in connection with this discussion, a quotation to which I have referred a number of times. It could well be quoted a thousand times, and even that would not be too much. It applies to reciprocal trade agreements; it applies to the Bretton Woods agreement; it applies to the OPA; it applies to many other things. Here it is. I am not saying it; Lincoln is saying it:

The dogmas of the quiet past are inadequate to the stormy present. As our case is new, we must think anew and act anew, fellow citizens, we cannot escape history.

Laugh that off, if you will.

Mr. TAFT. Mr. President, will the Senator from New Jersey further yield to me?

Mr. SMITH. I yield.

Mr. TAFT. Let me say in response to the quotation cited by the Senator from New Hampshire that certainly there is nothing quiet about the present; I agree with the Senator about that, I am sure. [Laughter.]

Mr. BREWSTER. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH. I yield.

Mr. BREWSTER. I assume that the characterization of "dogmas," as applied by Abraham Lincoln, would be equally applicable to any proposition which might be reported on this floor. I do not believe it defines our situation at all. Under that, Hitler, Stalin, and anyone else could find full authority for anything they proposed to do, simply because times have changed. They certainly have changed, Mr. President.

Mr. TOBEY. Mr. President, will the Senator from New Jersey permit me to speak again for a moment?

Mr. SMITH. I yield.

Mr. TOBEY. The Senator from Maine has referred to history, but that is not

all which must be considered in this case. What he fails to recognize is the great principle—we do not like to consider it, but we have to—that the world is, today, in a state of chaos, and the alternative to doing something is doing nothing. I will not be a party to doing nothing. We must do something now. We must wake up, wipe the dust from our eyes, and see that the world is dying, and do something to relieve the strain. I will not be a party to inaction.

Mr. BREWSTER. Mr. President, will the Senator from New Jersey further yield to me?

Mr. SMITH. I yield.

Mr. BREWSTER. Let me say that since all the Senator from New Hampshire advocates is change, will he agree to any proposal which is advanced?

Mr. TOBEY. If the Senator from New Jersey will permit me to reply, let me say that, ergo, the Senator from New Hampshire is not a fool—a description he might deserve if he for a moment advocated a change only—and he trusts that the Senator from Maine does not really think the Senator from New Hampshire would agree to any change which might be advocated, merely because it would be a change.

Mr. BREWSTER. That is the only thing they are doing so far.

Mr. TOBEY. Oh, no.

Mr. BREWSTER. Well, that is the only thing that Abraham Lincoln said.

Mr. TOBEY. Oh, no; it is not, either. Lincoln said:

As our case is new, we must think anew and act anew.

Mr. BREWSTER. What does that prove?

Mr. TOBEY. It proves that we must think anew, and we may have to leave behind some of the old moorings, if necessary, in order to reconstruct a stricken world. It is no time for a static mind.

Mr. BREWSTER. Does the Senator recall what Abraham Lincoln said about the tariff? It seems to me that we should consider what he said with regard to the subject we are now considering. I think he said that the protective tariff was the only protection of the American workman. That was his formula in that day, and I think it is equally applicable today.

Mr. TOBEY. Let me ask the Senator whether, with his ability, he would think for a moment that if Abraham Lincoln were living today he would be against the extension of the Reciprocal Trade Agreements Act, or whether he would take a world-wide view of the matter.

Mr. BREWSTER. I certainly cannot undertake to say what Abraham Lincoln would say or do as of today. I can only quote what he said in his day. I think the quotation from Abraham Lincoln, cited by the Senator from New Hampshire, to the effect that he said we must face new conditions with new solutions, does not prove that reciprocal tariffs are the solution of all our economic ills.

Mr. TOBEY. No; but we are earnestly seeking a solution of the ills we now suffer, and we cannot close our eyes to the fact that it is a new situation of a most serious nature, of world-wide dimensions,

and, in my opinion, it calls for new remedial efforts.

Mr. BREWSTER. Mr. President, if the Senator from New Jersey will permit me to make a further remark, I should like to say that I think we should keep our eyes open with regard to the solution which is indicated rather than blindly follow the dogmas of the past.

Mr. TOBEY. No one has suggested that for a moment. The Senator from Maine is attributing to me something I never would recommend. I pay tribute to the histrionic talent of the Senator; and, Mr. President, I now take myself out of the discussion.

Mr. SMITH. Mr. President, I am afraid I started something.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. YOUNG. I agree with the Senator from New Jersey that ordinarily we should not be selfish about these matters, and I think the President of the United States could, perhaps, effectuate these trade agreements quicker than we could; but when the security of one's home and State is concerned, one cannot help but be concerned for himself. I have in mind my own State, which is practically an agricultural State. Overnight the President could reduce the tariff on wheat, hogs, sheep, and butterfat, and we would be ruined. We would have to move out of the State. I can see how such a thing could happen under a different President. I am wondering if it is wise to delegate such powers as would be delegated under this bill.

Mr. SMITH. I am aware of the difficulty which faces the Senator from North Dakota. I have the same difficulty in my own State, which is an industrial State. However, it seems to me that the course which has been proposed is the proper one to take, as I shall try to point out.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MILLIKIN. I should like to suggest that President Truman's assurance is an argument against the expansion of the present power. An import which does not do harm to this country should be on the free list. It should not be a subject of a reciprocal trade agreement. Any article which is properly the subject of a reciprocal trade agreement is bound to harm some American industry. So, when the President tells us that he will employ reciprocal trade agreements in a way which will not injure any industry in this country, either he is giving us an assurance which he cannot make good in practice, or else he is telling us that he will cover by reciprocal trade agreements articles which should be on the free list.

Mr. SMITH. I thank the Senator for his observation.

VIII

I am convinced, therefore, that the United States can enter into the reciprocal trade-agreement program with safety. Our position is entirely different from what it was prior to World War I. During World War I we moved from a debtor position to a creditor position in world affairs. With this creditor position, and now with the confused after-

math of World War II, we are challenged with a completely new situation which, as I said earlier in my address, we must approach from scratch. The adoption of the program proposed for trade expansion undoubtedly will move us in the direction of lower tariffs, and it is possible of course that this will present a situation where the over-all good of all of our people may call for temporary hardships for a few. But these hardships, I believe, are far less than appear from a superficial study of the situation. As I said previously, the letters that I have received express fear of what may happen, rather than what actually has happened.

Furthermore, I have every confidence in our American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low-unit cost better than any other nation in the world.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BUSHFIELD. Trade agreements have been in effect since 1934, as I recall. Therefore, there has been a specific purpose of expanding and enlarging our exports. Yet, during the period of time to which I have referred, agricultural exports decreased 50 percent.

Mr. SMITH. I thank the Senator for his observation.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BREWSTER. I noted the Senator's reference to our moving from a debtor to a creditor position. His statement is similar to that which is made very frequently in discussions on this subject. It is said that we are now the greatest creditor nation of the world. I wonder to what extent the Senator has explored the basis of that apparent assumption.

Mr. SMITH. I think the over-all picture of our credits and debits warrants us in believing that we are a creditor nation. Of course, lend-lease is in the picture. We must consider that fact.

Mr. BREWSTER. Does the Senator assume that we should consider lend-lease as being a credit abroad?

Mr. SMITH. I do not think we should consider it too extensively as being a credit, because a great deal of it will not be paid back. We are, however, in the reverse position of that which we were in prior to the First World War when we were definitely a debtor nation.

Mr. BREWSTER. Our supply of gold has been steadily shrinking. As a result of the operations of lend-lease we have furnished approximately from \$35,000,000,000 to \$40,000,000,000 to foreign countries, and I do not believe we can expect to get back any material portion of the money. Meanwhile we have obligated ourselves to foreign countries for the materials which we have received from them, so I think that on the basis of short-term balances, today we owe approximately from \$5,000,000,000 to \$6,000,000,000. They represent credits which foreigners have in this country and which they could at any time demand us to pay either in gold or mate-

rial. I find that situation to be difficult to reconcile with the repeated assertion that we are a great creditor Nation, and that we must be the Nation to finance world recovery.

Mr. SMITH. I am not making such an argument. I do not believe the distinguished Senator would maintain that we now owe more than we are owed, would he?

Mr. BREWSTER. It all depends on whether we take into consideration lend-lease. If the Senator believes that lend-lease will be repaid, then his position is correct. If he believes that it will not be repaid, I think the question is left open.

Mr. SMITH. Of course, an obligation may be considered as being owed. Many obligations have been owed to me during my life so far, which were never repaid, but I nevertheless thought they were owed to me.

Mr. BREWSTER. I should like to ask the Senator why he considers foreign countries are in debt to us under lend-lease.

Mr. SMITH. I think they are in debt to us, yes. Whether they repay the debt or not, I do not know.

Mr. BREWSTER. The Senator does not expect that it will be repaid, does he?

Mr. SMITH. I think some of it will be repaid and that some of it will not.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. AIKEN. I should like to correct an impression which is very prevalent, but which is false. I refer to the impression that the Federal trade agreements have been very injurious to American agricultural interests. In support of that statement I may say that some persons hold that after we entered into the trade agreement with Great Britain on January 1, 1939, our industrial exports increased and our agricultural exports decreased. Therefore, it is said that we sold out agriculture for the benefit of industry. I freely confess now that I used to believe that contention until I examined the record and found that we obtained numberless concessions on our agricultural exports to other countries.

It is true that our industrial exports increased and our agricultural exports decreased for the year beginning 1939. The reason was that at that time England, Russia, and Japan were buying everything they could obtain in this country with which to make war materials. The war started in the year 1939, and Germany—our second largest customer for agricultural exports—was completely eliminated from the market. So was central Europe and Italy, which ranked well up toward the top as purchasers of agricultural products. Agricultural exports to countries which were not blockaded increased, but naturally we could not eliminate Germany, our second best customer for agricultural products, the country which bought pork, lard, and many other products from us, and still maintain our volume of exports.

I wish to take this occasion—and I thank the Senator from New Jersey for giving me the opportunity to do so—to make clear why our industrial exports increased and our agricultural exports

decreased from 1939 on. I recall that previous to 1939 our apple market was prostrated because Great Britain had found various ways of shutting our products out of their markets. After the trade agreement went into effect our apple exports increased. I shall not attempt to say how much they increased, but I think we exported, in value, more apples after the trade agreement went into effect than our imports of woolen goods from Great Britain amounted to.

Mr. SMITH. I thank the Senator for his contribution.

Mr. YOUNG. Mr. President, if the Senator will further yield to me, I should like to state that at the present time one can go into Canada and buy almost anything unrationed. For some strange reason England is not buying in Canada, but is buying in the United States. After that situation comes to an end will not our agricultural exports decrease greatly?

Mr. AIKEN. I do not think Canada and the United States together can begin to supply the food needed by the world for the next 2 or 3 years, and naturally if foreign countries can get something for nothing rather than get it where they have to pay for it, they will take it under lend-lease from us, so long as they can get it.

Canada has a system, which I think is a pretty good one, of contributing so much as her part of carrying on this war. The amount is approximately \$700,000,000 a year, as I recall, in addition to the contribution of her armed forces, and then whatever else is obtained from Canada those who obtain it have to buy and pay for.

Mr. YOUNG. I just came back from the Canadian border; and many Americans who go into Canada are bringing back hams and many other things which they buy in Canada, and they will probably continue to do that so long as they can get the articles.

Mr. AIKEN. I do not know whether the Senator from North Dakota was at a meeting of the Committee on Agriculture and Forestry held about 2 months ago, where it was brought out that this country requested Canada a year ago last fall not to export meats into this country, and had never rescinded that request. The Canadians said that was why they were not sending meat to help us; they had been asked to refrain from doing so, and the request had not been rescinded. Whether it has since been rescinded I do not know; but I think it safe to say that Canada and the United States together could not supply the world needs. I was surprised to learn in looking at the statistics that we even export a million bushels of grain to Canada. I presume that takes care of local conditions along the border.

Mr. SMITH. Mr. President, I will continue with my remarks.

As I have said, I have every confidence in American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low unit cost better than any other nation in the world. We have learned this because of our fundamentally intense, competitive, private industry economy,

and our definite opposition to monopolies and cartels.

Mr. BREWSTER. Mr. President, will the Senator yield at that point?

Mr. SMITH. I will yield, but I am a little afraid of losing the continuity of my thought, if the discussion is diverted too much. I was trying to give to the Senate the whole picture. I shall be glad to yield, keeping that thought in mind.

Mr. BREWSTER. What I am about to say bears on the specific point the Senator from New Jersey has been making. He says he has every confidence in the ability of the United States to meet foreign competition. I am wondering how far he carries that. Does he mean that he feels we could afford to adopt a policy of free trade?

Mr. SMITH. I do not believe in free trade.

Mr. BREWSTER. The Senator does not believe that America, under free trade, could meet all competition. He limits the term.

Mr. SMITH. As I shall show a little later—and let me finish my thought—I feel that we can, by the trade-agreements policy and the readjustment of our trade economy fit into the picture, compete with any set-up. I think we can protect our industries adequately by the trade-agreement method.

Mr. BREWSTER. Does the Senator agree that it is all a matter of both an honest and intelligent application of the protective principle? The Senator does subscribe to the protective principle, does he not?

Mr. SMITH. I said earlier in my address that I believe in scientific protection.

Mr. BREWSTER. The Senator thoroughly believes, does he not, that it is merely a question of how that protection shall be provided and how far the Congress shall relax its primary responsibility and control.

Mr. SMITH. My preference is for the agreement method in determining trade relations, rather than by a unilateral tariff written by Congress itself.

Mr. BREWSTER. The Senator makes a distinction between, let us say, what he terms unilateral action by Congress, which I think every one is agreed is pretty well out of date, and trade agreements, say, as distinct from the scientific determination by the Tariff Commission as authorized under existing law which provides that the Tariff Commission, after scientific determination, may cut any tariff 50 percent, the benefit to go to all nations.

Mr. SMITH. I call the attention of the distinguished Senator from Maine to what I understand is the set-up. We are adding by the pending bill the War and Navy Departments to the group that will help the President in the negotiation and making of trade agreements. I will go as far as the Senator from Wyoming [Mr. O'MAHONEY] went last night, when he suggested that ultimately we probably might have representatives of the committees of the House and Senate taking part in the negotiation of trade agreements. That might be a future development. I am merely suggesting it parenthetically now. So I do not think that

merely an expert Tariff Commission should have the authority, but different groups in the various departments that know the conditions, with, I hope, the Senate and House representing all the people, should develop our ultimate policy.

Mr. BREWSTER. Does not the Senator recognize that that is a deviation from what he properly terms the scientific principle? The scientific principle would involve a group in the nature of a tariff commission, theoretically, and the minute there is introduced, whether it is the State Department, the War Department, the Navy Department, or any other agency, there would be injected something other than what he would term scientific trade adjustments. The Army and Navy, for example, have to do with military and naval matters, the State Department with diplomacy, and we are political, naturally, thinking in terms of our constituents, but we have under existing law, irrespective of reciprocal trade agreements, a scientific method of determination, enunciated in Republican tariff laws. It seems to me that that is frequently lost sight of in bowing at the shrine of the reciprocal principle.

Mr. SMITH. I think the Senator's question will help bring out and develop the whole subject, and I am very grateful to him. I feel that the trade-agreements procedure is the important thing that we should endorse because of the special situation we are now in, and I am hopeful, as I said earlier in my remarks, that this method of procedure can be maintained and strengthened.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. SMITH. I yield to the Senator from Kentucky.

Mr. BARKLEY. Although recognizing the scientific basis of tariff reduction by the Tariff Commission, as we have done for a number of years, even that is a unilateral reduction. The Tariff Commission has no power of negotiation. The Tariff Commission can not exact or request of any other nation any reciprocal advantage because of any reduction it brings about. It is merely a straight reduction, based, usually, on scientific investigation with no advantage for our commerce, our trade, and our country, and of no advantage whatever by reason of lack of ability to give and take as in the agreement program which the Senator is so ably discussing. It cannot be assumed that the scientific basis is entirely absent from the trade agreements, because, as was testified before the Committee on Finance, it takes anywhere from 5 months to a year to go through the machinery and to bring about one trade agreement, which at least convinces me that the work is done very carefully, and I think it is done scientifically; but, in doing it scientifically, as the Tariff Commission may do, we are in a position to get something in return for what we are doing even on a scientific basis.

Mr. SMITH. I am glad the Senator brought that point out.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BREWSTER. Adverting to the comment of the Senator from Kentucky, while it is true we do not get the trading aspects of the matter, it is also true that under such a reduction we do get what I had understood was the chief advantage urged for reciprocal trade agreements, namely, we build up our foreign imports, and thus enable those who import to us to pay for our exports to them, and we get the full benefit. The only limitation which the Senator from Kentucky would point out is that the very few countries with which we have no trade agreements would, under the most-favored-nation clause, get the benefits; but I think he would agree that they are pretty negligible benefits in our economy. That would be the only difference between one system and the other insofar as the advantages accruing from increased imports are concerned.

If the theory of the Trade Agreement Act is correct that we benefit by imports, because they enable foreign countries to pay for our exports, then the foreign countries are the ones that are closing their doors to us to their own disadvantage. I think we might rely upon their recognition of that argument if we are to proceed along the lines hitherto laid down.

Mr. SMITH. I thank the Senator. I should now like to continue my argument. I shall begin again the paragraph I was reading when the Senator from Maine interrupted me, so as to present the whole thought.

I have every confidence in our American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low unit costs better than any other nation in the world. We have learned this because of our fundamentally intense, competitive, private industry economy, and our definite opposition to monopolies and cartels.

These convictions and practices of the American people will, it seems to me, make it possible for us to meet legitimate competition and still maintain the living standards of our people. We can pay higher wages and produce a lower-priced article than any nation in the world—if we can produce in sufficient quantity—and we can maintain these altitudes of desirable objectives by demanding, as the price of our tariff concessions, that competing nations grant constantly rising standards to their workers. It is here where I suggest that an intelligent tariff policy could operate most effectively—not aimed to make unfair profits for a selected few—either nations or individuals—but to make lower-priced products for a vastly expanded consumer market, a world-wide consumer market created by rising wages to an ever-expanding mass of ordinary people who then could afford to buy the lower-priced products produced.

And so I favor the extension of the Reciprocal Trade Agreements Act.

IX

But there remains a fundamental question: Should we grant additional powers to the President to reduce tariffs further as provided in the House bill—

that is, to take January 1, 1945, as the date line from which we figure in the future the 50 percent discretion?

It was this provision that the Senate Banking and Currency Committee deleted.

On my first consideration of the bill, it seemed that we should not grant the additional power to the President which the bill contemplates, and I so stated publicly. On May 17, I issued a statement which was carried widely in the press of New Jersey. It read as follows:

It is my judgment that the Reciprocal Trade Agreements Act should be extended unamended for the immediate future.

The question of the extension of the act is related to the general tariff policy of the United States and to the question of our foreign trade after the war.

Our postwar foreign-trade policy is closely related to the problems now being considered by the Conference in San Francisco, and is vitally connected with the collaboration of the United States with the other United Nations in setting up an organization for the preservation of the peace of the world. The Dumbarton Oaks proposals include the setting up of a United Nations Economic Council to consider international trade relations and the operations of this council, of course, will be an important contribution to measures for the preservation of the peace.

We must bear in mind that if a world-wide trend toward Government-managed foreign trade is to be arrested, it will require a vigorous initiative on the part of the United States to demonstrate that a system of private, competitive, and nondiscriminatory trade will provide greater volume and scope to the trading nations of the world.

A willingness to offer reasonable hospitality to imports is the most powerful bargaining power than any nation can bring to the market of international trade. The reciprocal-trade program seems to offer a flexible medium through which we may exercise the greatest influence toward restoring the multilateral trading system under which we can operate to our best advantage.

In light of these considerations—

This was my position just 2 weeks ago—

it is impossible at this moment to determine how we should continue the reciprocal-trade policy in the postwar period—whether we should or should not give additional power to the President over our tariffs—whether we should favor a more or less flexible tariff policy, and whether we are satisfied with the present methods of tariff fixing.

It seems to me wise, therefore, that no change should be made at the moment in the present situation and that, therefore, the present Reciprocal Trade Agreements Act should be extended pending the termination of the Japanese war, and until such time as the United Nations Economic Council has been able to explore the whole situation and has made its recommendations to the various nations involved.

I think that is pretty close to the position taken in the report of the Committee on Banking and Currency.

I felt that this position was fair to our industries which have depended for their prosperity in the past on tariff protection. If we are considering an expanded postwar foreign trade with consequent tariff adjustments, it seemed to me proper that our industries should have a chance to readjust themselves. I therefore at that time favored a moratorium period.

I wish to emphasize that since this statement was issued I have explored the situation further, and in light of the most recent developments in international affairs, and after consultation with members of the State Department who will have the responsibility for negotiating the agreements, I am satisfied that full consideration will be given to the present situation—and I am dealing now with an emergency situation—of our American industries and to their adequate protection. What we are faced with in international affairs is the immediate setting up by the other United Nations of their future trade policies, and I feel that the United States would be under a very distinct handicap if our Executive and his aides, who are to represent us in negotiating trade agreements, should be deprived of the necessary weapons they will need to maintain our position. I believe that this consideration transcends the arguments against granting the additional powers. I favor, therefore, the restoration of section 2 to this bill in the form in which it came to us from the House. I take this position with confidence in the President and in the executive group who will have the negotiation of these treaties. I believe that they will protect those industries which I represent in the State of New Jersey and all other industries throughout the country.

Let me say in that connection that I feel it is an emergency with which we are dealing at this time, and that is why I have come to this conclusion.

The alternative is between trade adjustments by agreement with other countries or setting up, as heretofore, our unilateral tariff schedules. In the present crisis I am convinced that we should grant the powers asked for and trust those who represent us to handle those powers properly.

The argument for the President's discretion can be summarized. I was very much impressed by the admirable address delivered to the Senate last evening by the distinguished senior Senator from Georgia [Mr. GEORGE], and I think what I am saying is along the line of his argument.

Probably for some time after the war the state-dominated systems of Germany, Italy, and Japan will not be in a position to exert an important influence. Russia will certainly continue a policy of direct trading in the foreign field as in the domestic. The direction in which the United Kingdom and many of the other trading nations of the world will go will probably depend upon the alternatives offered. Within the United Kingdom and most of the other trading nations there are large and important groups who will choose the free private enterprise system, rather than a government-controlled system if it promises to offer world trade opportunities upon a scale sufficiently high to be more attractive. Unless the United States offers a strongly positive leadership, unless we throw our weight effectively on the side of nondiscriminatory multilateral world trade, there is immediate danger that the

private enterprise trading system will disappear.

Partly, the matter is one of our giving assurance of our good faith. If we want other nations to give up their major protective trade barriers—exchange control, bilateral agreements, cartel bargains, import quotas, and direct government purchasing arrangements, we must show a willingness to modify ours by a reasonable readjustment of our tariffs.

Most important, it is a matter of having at hand an effective bargaining instrument. Unless the additional margin for cutting duty rates offered in the Doughton bill is available to our negotiators, they might not have sufficient concessions to offer to win the concessions we seek. I am advised that we have left scant margin for further concessions to the United Kingdom, Canada, and much of Latin America. These important countries must join our orbit if there is to be a substantial area for competitive trade, and if we are to have an effective bargaining instrument, it must be a flexible one under which commitments may be made expertly, tactfully, decisively, and with reasonable dispatch. I do not believe that it is possible to provide this under the regular legislative tariff-making process.

Yesterday in the New York Herald Tribune, Mr. Walter Lippmann in his column entitled "The Senate and Mr. Churchill" points out the dangers to the United States in not giving our representatives adequate power in dealing with this immediate postwar situation. He quotes Mr. Churchill, who was speaking for all British parties and not solely for the Conservative Party, as saying that Great Britain will not give up its right to safeguard its balance of payments by whatever means are necessary. This means, as the able Senator from Georgia pointed out in his striking address last night, that Great Britain may be forced into the orbit of the collectivist countries which will be carrying on their foreign affairs by government action, rather than by the free-enterprise system of individual action.

There is a great struggle in the world, Mr. President, between collective action and individual, private-enterprise action, and I feel that is involved in this whole debate.

If Britain is pulled into this orbit, it will be a very distinct threat for everything that we have stood for here in America and for many of the things for which the war is being fought. It is my considered judgment, therefore, that we must permit the President and his advisers, whose group will be enlarged by inclusion of representatives of the War and Navy Departments, to negotiate these treaties for us, and it will be our responsibility and opportunity to back them up in every possible way in developing the proper relation of the United States to the other nations of the world in the postwar trade situation. This economic step is a vitally important additional milestone on the road to ultimate world peace.

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After reviewing this whole subject, I have come to the conclusion that the

United States, emerging from this war with an enormously expanded productive capacity, will be interested in the freest possible access to foreign markets. We will be interested in the highest standard of living for our customers throughout the world, so that they can be adequate consumers.

But while we will be interested in international cooperation, in trade policies, in monetary policies, and in foreign investments, our deepest interest lies in the hope expressed by me when I began my remarks. That hope is the maintenance of peace among nations and in the preservation in this country of truly democratic institutions. For these reasons, if for no other, we should participate with other nations in framing common postwar economic policies. For in such combined economic action, supplementing the corresponding political and military action which will be the outgrowth of the San Francisco Conference, seems to lie our real hope of establishing a world in which there may be a reasonable measure of both freedom and security.

We have a double responsibility. On our willingness or refusal to participate in a program of international cooperation will depend not only our own destiny, but the destiny of millions beyond our borders. And let us have faith that these ideals may some day be realized. By faith, since the dawn of human history, man has struggled toward freedom—not freedom from fear and want, insured by the State, but freedom from fear and want, insured by freedom of opportunity. There is a real distinction between insuring these freedoms by the State and insuring them by freedom of opportunity.

And so, Mr. President, it seems to me that in facing this whole picture, and in particular the immediate problem before us, namely, the extension of the Reciprocal Trade Agreements Act, our attitude may well depend on what kind of a glass we are looking through. Are we looking through a microscope which is too negative, too critical, which is destructive and selfishly introspective, or are we looking through a telescope, which is positive, bright-colored, long-visioned, the telescope of faith, hope, courage, leading us on the road toward the divine, far-off event, the ultimate understanding and good will between men of all nations?

Mr. AIKEN. Before the Senator from New Jersey takes his seat, will he yield to me?

Mr. SMITH. I yield.

Mr. AIKEN. I now have some of the information I was seeking earlier in the Senator's speech in regard to the ratification of trade treaties by the Senate, and inasmuch as it has been advocated that the Senate should ratify agreements which have been entered into by the executive department under authorization given by the Congress, I should like to read our national experience into the Record at this time.

During the lifetime of this country, some 160 years, there have been three reciprocal tariff treaties ratified by the Senate: One with Canada in 1854, one with Hawaii in 1875, and one with Cuba in 1902. Those three treaties were with

countries with which we had very close relationships, geographical or otherwise.

Between 1844 and 1902 10 other reciprocity treaties were negotiated under the general treaty-making power of the Executive, but not one of them ever became effective.

The Tariff Act of 1897 specifically authorized the Executive to negotiate reciprocity treaties with foreign countries, which treaties would then have to be approved by the Senate. Under that provision 12 treaties were negotiated, but none of them ever even came to a vote in the Senate. They could not even get to the point where Senators would have a chance to vote on them. The Executive made the agreements, but the Senate had to give its approval.

In contrast to these attempts to put into effect trade treaties which had to be approved by the Senate, under the McKinley Tariff Act of 1890, which gave the executive department authority to make agreements under prior authorization of Congress and not subject to subsequent approval, 12 reciprocity agreements were made effective.

Under the Dingley Tariff Act of 1897, which contained similar authorization, 15 agreements were brought into force; and under the present Trade Agreements Act of 1934, 32 agreements have been concluded and brought into force.

So we might as well admit now that if we decide to give the executive department the right to make agreements with foreign countries, subject to the approval of the Senate after they are made, there will be no agreements put into effect at all, because in all our history the Senate has approved only three trade treaties of that nature, those with Canada, Cuba, and Hawaii.

Mr. BILBO. Mr. President—

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SMITH. I now yield the floor.

Mr. LANGER. I wanted to ask the Senator from New Jersey a question.

The PRESIDING OFFICER. The Senator from Mississippi [Mr. BILBO] is recognized.

Mr. BILBO. While I had the floor at the beginning of the session, I was glad to yield to my distinguished friend, the Senator from New Jersey. I understand the Senator from New Jersey has now concluded his statement?

Mr. SMITH. I have concluded it; yes, but the Senator from North Dakota wants to ask me a question.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from North Dakota to ask the Senator from New Jersey a question?

Mr. BILBO. I yield.

Mr. LANGER. As I understood the argument made by the Senator from New Jersey his statement was that we should grant this power to the Executive so that the Executive may have what may be called trading stock. Am I correct in that understanding?

Mr. SMITH. Something to trade with, yes, in the light of the way these treaties are negotiated.

Mr. LANGER. Congress gave the Executive \$39,000,000,000 to use for lend-lease purposes. Five Senators took a trip around the world some time ago,

and on their return they told us, for example, that our troops would attack a certain island, and with great loss of life succeed in capturing the island, and on one such island, as I remember, we spent nearly \$50,000,000, and after we had completed the fortifications necessary to make the island secure the American troops marched out and one Englishman came in, the American flag went down and the English flag went up.

In view of history of that kind, and in view of the fact that Congress placed \$39,000,000,000 for lend-lease purposes in the hands of the Executive, and in view of the sorry record that was made, as is now evidenced by history, do I understand that the Senator believes the Executive should have the power, through the Department of State, to make any kind of tariff agreement he wants to make, without it being referred to the representatives of the people for ratification?

Mr. SMITH. I will answer the Senator by saying that in the present state of the world and the critical situation which confronts us, we have no alternative if we want to handle this matter intelligently and expeditiously. If, in the midst of the present emergency, we are to go into all the legalistic arguments respecting constitutional provisions we are in great danger of having the world move into a collectivist orbit and not preserve the free enterprise system we must preserve, and we must have England play the game with us in doing so. I do not think we ought to forget the abuses which may be possible, but there again I think the Senator is using a microscope instead of a telescope.

Mr. LANGER. Mr. President, will the Senator from Mississippi yield again so I may ask the Senator from New Jersey another question?

Mr. BILBO. Does the Senator wish to make a speech or simply ask a question?

Mr. LANGER. I simply wish to ask a question.

Mr. BILBO. Very well, I yield.

Mr. LANGER. The Senator from New Jersey says we have no other alternative. Let us assume this situation: Suppose Russia was competing with us in the field of oil, and another country was in the market to buy oil. As I understood the argument made by the distinguished Senator from Georgia [Mr. GEORGE] yesterday, because of Russian collective buying we would be at a disadvantage. Is not the alternative that we can set up a national corporation, something in the nature of our present Interstate Commerce Commission, which is directly responsible to the Congress, a Federal corporation which will have sufficient money and backing by the Congress, and thus have the Government compete with the collective system of which some seem to be so afraid?

Mr. SMITH. I have not given thought to that question. The whole question as to where we are to go from here is worthy of careful consideration. However, I do not believe that we have the time to set up a program such as the Senator from North Dakota suggests. In the situation which confronts us, when our Executive has the responsibility for moving, I

wish to support him in developing trade relations for the immediate emergency. That is my plea. I am not asking for anything of a permanent nature. I am asking for further experimentation with the trade-agreement procedure, and perfecting that procedure in all our trade relations. All I am asking for is cooperation with the other countries of the world, in spite of the mistakes which have been made.

FAIR EMPLOYMENT PRACTICE COMMISSION

Mr. BILBO. Mr. President, I am sure we have all been delighted by the able and convincing statement of the views of the Senator from New Jersey sustaining the Reciprocal Trade Agreements Act. It is interesting to hear from that side of the Chamber a voice in favor of reciprocal trade agreements or reduction of tariffs in the interest of trade. Also it was very interesting to hear on that side of the Chamber the colloquy which we all enjoyed a while ago. This is possibly the first time in 12 years that the Republicans have had an opportunity to recite their Republican primers on the protective tariff. But, Mr. President, my purpose in taking the floor on this occasion is to call the attention of my colleagues and the people of the country to the serious consideration which the lawyers of Massachusetts are giving to the proposed Fair Employment Practice Commission, which to my mind is the greatest legislative monstrosity in the history of the American Congress.

The day is coming when all the people of this country will regret the wave which has caused a few States seriously to consider the enactment of so-called FEPC legislation. I am sure that all will agree with me that this proposed legislation has been sponsored by one or two groups, and, being sponsored by those groups, the majorities of both the Republican and Democratic parties have yielded, in their attempts to secure political support from such groups in the campaigns of the past and in the campaigns of the future.

A reading of the Democratic platform adopted at Chicago in 1944 will disclose no mention of the FEPC. However, some of the verbiage in that platform has been construed to mean that we oppose discrimination in employment because of race, color, creed, or origin.

Denying labor to a citizen of this country on the ground of any such qualification, and that alone, may be just cause for complaint in some instances. But the Republican Party, in its very great desire to reach out and get the Negro vote and the Jewish vote, which is sponsoring this bill, went all the way in favor of permanent FEPC legislation. In view of that fact, and because in a very short while we shall be face to face with such legislation on the floor of the Senate, I wish to read an article published in the June 4 issue of the Boston Traveler. It relates to an appeal by the Massachusetts Bar Association to the Massachusetts Legislature, which has had under consideration the enactment of a bill similar to the bill enacted by the State of New York under the leadership of Governor Dewey. The article reads as follows:

DEFER RACIAL BILL, BAR GROUP URGES—COMMITTEE LETTER OPPOSES ENACTMENT UNTIL WORKING OF NEW YORK LAW IS OBSERVED

Opposition to enactment of the Curtis anti-discrimination bill until Massachusetts has watched the New York law at work was expressed in a letter from the executive committee of the Massachusetts Bar Association, which is published today in the Massachusetts Law Quarterly.

MAY DO HARM

Addressing its letter to Senator Cornelius F. Haley, chairman of the committee on State administration, the executive committee urges that "it is a question of practical judgment whether the bill will do more harm than good." The proposed legislation would establish penalties for discrimination in employment because of race, color, religious creed, national origin, ancestry, or advanced age.

Signers of the letter are Attorneys Edward O. Proctor, Richard Wait, John H. Devine, Horace E. Allen, Clifford S. Lyon, W. Arthur Garrity, William E. Fuller, Guy Newhall, and Frank W. Grinnell. In a separate letter, Attorney John E. Peakes, of the committee, suggests postponement of action on the Curtis bill and advocates a legislative warning, in its place, that discrimination must be abandoned voluntarily or legislation will be enacted.

The committee letter submits that the subject is an emotional matter and "to compel men, against their wishes, to employ others who are, however unreasonably or unjustly, unwelcome either to their employers or to their fellow-employees, or to customers, would, in our opinion, tend to accentuate and deepen the prejudices which the bill seeks to allay."

I think the sponsors of this fool legislation will find out in the end that they will do more to arouse and accentuate the racial unpleasantness which prevails in many sections of the country than the FEPC law will ever be able to suppress. I continue to read from the article in the Boston Traveler:

It notes that there are sorts of employment where a confidential relationship based upon mutual sympathy and esteem is essential, which "could not exist under any system of forced employment."

It protests that the bill sets up a Government bureau with inquisitorial powers and "provides no adequate recourse to the courts for a person, who with complete sincerity, may believe he is being unjustly treated by the proposed administrative commission."

At the same time, the letter protests the exemptions for religious, charitable, and educational institutions, which he said should seek to set an example rather than obtain exemption from legislation they themselves have advocated. And the lawyers raise the question of the constitutionality of the legislation.

Of course, we all believe that the proposed legislation is unconstitutional. I do not know how it would fare in the Supreme Court as now composed, but there can be no question that the proposed legislation is unconstitutional.

I invite the attention of the Senate and the country to a special report from New York State, which is now operating, or is about to operate, under a temporary FEPC law. The New York law does not go into effect until the 1st of July. A large factory, located in New York and doing work for the war effort, recently suffered a cut-back, and it became necessary to release 75 or 100 women employees. The manager of the factory had working for him Negro women,

Jewish women, and white Christian women. When he was forced, because of the cut-back, to discharge a number of women from his employment, he released all the Christian white women in his employ, keeping the Jewish and Negro women on the job. When he was questioned about that procedure, he said:

Under this fool Fair Employment Act, if I release a Negro woman from my employment, I will be cited and will find myself in the toils of the law and subjected to the penalties of the FEPC legislation, because the Negro woman will at once claim that she was dismissed because of her color. If I dismiss one of the Jewish women, I will likewise be cited for dismissing a Jewish woman because of her religion. Therefore, to be safe I am going to discharge the white Christian women and keep the Negroes and the Jews.

I suggest to the sponsors of this legislation that before they put the final touches on it they make provision to prevent discrimination against the white Christian women of America who are forced to work in factories for a living.

LOAN TO ELLIOTT ROOSEVELT

Mr. BRIDGES. Mr. President, yesterday I was very much shocked to read in the press an account dealing with a loan of \$200,000 to one of the sons of the late President Roosevelt, which loan was settled by a repayment of a mere \$4,000. The headline states "Counsel for A. & P. Co. confirms disclosure of the deal."

I have read subsequent articles on this subject. I do not wish to take the time of the Senate to go fully into the matter; but when the son of a President of the United States borrows \$200,000 and then is allowed to repay it for \$4,000 it is a thing which citizens generally cannot pass by with a wink of an eye or the lifting of an eyebrow.

This is an affair that involves a moral issue, an ethical issue, and a question of general integrity; and it also concerns the taxpayers of the country who have to make up from their own pockets in taxes when Mr. John Hartford is allowed to write off such a sum on his income tax as a loss. Did Mr. Hartford try to collect this sum? What reason could there be for settling such a large loan for such a small amount?

I do not know whether it is true. I have read it in the press. I assume there must be something to it. I believe the Senate of the United States or the Congress of the United States as a whole cannot let this incident pass by and close their eyes to acts of this kind without ascertaining the truth. This story has been circulated about Gen. Elliott Roosevelt. If it is not the truth, that should be known, and Mr. Elliott Roosevelt's name should be cleared. If it is the truth, then the facts should be known and action taken.

I do not wish to condemn anyone until I know the facts, and I am very much interested to know the facts. I have talked to many Senators here on the floor today about it, and I know that it is a subject of concern all over the Nation.

I think the proper committee of the Senate—either the Interstate Commerce Committee or the Commerce Committee, or whatever the proper committee may

be—any one of the appropriate committees—should properly look into it and should ascertain the truth of the situation. I do not think that this should go unnoticed, and I do not think Elliott Roosevelt's name should be in any way smirched if it is not true. But the truth should be ascertained, and this should be done at once.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. In the meanwhile will the Senator also investigate everyone else in the United States who may have lost money?

Mr. BRIDGES. Mr. President, let me say to the Senator from South Carolina that I think I have presented this matter in a very fair way. I have not accused Mr. Elliott Roosevelt of anything. I say reports have been published in the newspapers about this loan and it involves a question of integrity, morals, and ethics, and we should know the truth. If they are true, that is one thing. If they are not, certainly Mr. Roosevelt should be cleared.

Other people in the country have lost money; but, as the Senator knows, if he has read the story about this case, there were peculiar circumstances, about this loan and method of settlement which make it a very unusual and unique case. Far be it from me to try to condemn a person until the truth of the matter and the facts are known. But some sunshine in the dark recesses might be healthy for the Nation.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. GEORGE. Mr. President, I do not know what other Senator expects to speak at this time.

The PRESIDING OFFICER. The Chair will state to the Senator from Georgia that before the Senator from Wyoming [Mr. O'MAHONEY] left the Chamber he asked the Chair how long the discussion would last. The Chair told him the names of the Senators who were expected to speak. The Senator from Wyoming has not yet returned to the Chamber.

Mr. GEORGE. Then Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Downey	Langer
Austin	Ellender	Lucas
Ball	Ferguson	McCarran
Bankhead	Fulbright	McKellar
Barkley	George	Magnuson
Bilbo	Gerry	Mead
Brewster	Green	Millikin
Bridges	Guffey	Mitchell
Briggs	Hart	Moore
Brooks	Hatch	Morse
Buck	Hayden	Murdoch
Burton	Hill	Murray
Bushfield	Hoey	Myers
Butler	Johnson, Calif.	O'Daniel
Capper	Johnson, Colo.	O'Mahoney
Chavez	Johnston, S. C.	Overton
Donnell	La Follette	Pepper

Radcliffe	Thomas, Okla.	Wherry
Reed	Thomas, Utah	White
Robertson	Tobey	Wiley
Saltonstall	Tunnell	Wilson
Shipstead	Tydings	Young
Smith	Wagner	
Taft	Walsh	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I regret very much that I was not able to hear the senior Senator from Georgia present the case for the minority of the committee yesterday and I regret that I have not had time to prepare as carefully as I should have liked the questions relating to the extension of the reciprocal trade treaties.

I rise to favor the committee amendment. If the committee amendment is adopted and the bill is then enacted containing the amendment, the reciprocal trade program will be continued for another period of 3 years. Treaties made during those 3 years may last for 3 years longer; so that it is possible that what we do now may affect the relations between the United States and other countries for a period of 6 years from this time.

I understand the reasons advanced for permitting the President to make additional cuts of 50 percent in tariff rates, but I do not think the reasons are valid. Personally I thought the Smoot-Hawley rates were too high, but they can now be reduced 50 percent. I do not think there is any evidence that when reduced 50 percent they are adequate to cover the difference between the cost of production here and abroad. I do not think there is any evidence that if they are further reduced to 25 percent they will come anywhere near protecting American industry against lower wage rates and lower costs in other countries. I think the evidence clearly shows that if that power is exercised it will put out of business many industries in the United States. That certainly is the evidence before the House committee and the evidence before the Senate committee. That is why I am opposed to granting authority to bring about an additional 50-percent cut, because it would eliminate American industry.

Those who are frank in favoring the amendment say that some industries ought to be eliminated, that they are not efficient industries and those engaged in them ought to engage in a mass-production industry and make goods which can be exported under present cost conditions.

I think the advocates of the measure are on the horns of a dilemma. They say they want to increase imports in cases where there is American competition, and yet they say that would not in any way injure any American industry that may be concerned. The two cannot be true. If they carry out their idea of increasing imports into the United States, that will necessarily injure the industries which are affected by the changes which may be made.

I have before me a table of the rates which were effective under various tariff laws. Under the Payne-Aldrich law, from 1909 to 1913, tariff rates on dutiable products were approximately 40.8 percent on the average. It must be under-

stood that about 65 percent of all imports come in on the free list, and only 35 percent are dutiable today, and on those the rates in the Payne-Aldrich law were 40.3 percent.

The rates on the average under the Underwood tariff law, from 1914 to 1922, were approximately 27 percent. Under the Fordney-McCumber law they were 33½ percent; under the Smoot-Hawley law, as affected by the Reciprocal Trade Act, they have been reduced on the average to about 31.6 percent in 1944. Therefore, this additional power would authorize a reduction of tariff rates on dutiable imports to approximately 16 percent, which is wholly inadequate to compensate for the difference in wages between this country and other countries. There cannot be any question that a further reduction of 25 percent in the Smoot-Hawley rates would amount practically to free trade so far as most of our industries are concerned. I do not understand the reason for granting such additional power at the present time.

We have not had any real trial of the 31-percent rate under the reciprocal trade treaties. The rate on all dutiable products had only been reduced by 1938 to an average of 39 percent. In other words, we have not had any trial of the 50-percent cut as yet. The State Department and the President approached it very gingerly in the beginning, and then gradually made a few minor reductions. Sometimes they imposed quotas, but the result was that the concessions were made of very little importance so far as the volume of imports was concerned. In 1938 when the war was beginning there was still an average rate of 39 percent on all dutiable imports.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to call attention of the Senator to the fact that the percentage of imports is not necessarily the measure of damages. A single boatload of dairy products from Denmark, for example, can tear the whole domestic milk, butter, and cheese market to pieces.

Mr. TAFT. That is entirely true; any imports offered at a lower price certainly force a reduction in the price to the domestic producer.

The natural thing would be to say "Why not try the 50-percent cut?" We never have tried it. The most important treaty was made with England. It became effective on the 1st of January 1939, which was after Munich, and at a time when all England was engaged in preparing for the war which was certain to come. There was no normal exporting from England. We could not possibly judge what the effect of that treaty would be. One would think the natural thing would be to say, "Why not continue the law as it is for the present, and let us see what this 50-percent cut has really brought about." Is it going to result in the destruction of American industry as so many think it will?

Instead of that, it is proposed to reduce the 50 percent further, before we have even had any experience with the pres-

ent 50-percent reduction. There is only one argument for it, so far as I am able to learn. I think, as a matter of fact, that proposal from the State Department completely surprised everyone in the Senate, including the distinguished chairman of the Committee on Finance. I do not believe anyone thought that the State Department was going to propose any such thing, because, after all, we do not know what the conditions will be in the postwar world. We do not know how cheaply foreign countries will be able to manufacture. We know they are to an extent destroyed; we know they are going to have a lower standard of living in the next 5 or 10 years, and we know they are going to have to work for anything that is paid to them. It is reasonable to suppose that in the postwar period their production costs in foreign countries are going to be lower, and that the threat to our industry is going to be greater than it was before the war. But we do not know all the facts. In the light of the circumstances, I cannot understand why on earth we should proceed to reduce the tariffs further, reduce them another 50 percent, to 25 percent of the Smoot-Hawley rates, at a time when world conditions are uncertain, and in view of the fact that even before the war we never had any actual experience with the 50-percent cut.

The argument made is, in essence, that the State Department has to have such authority as a bargaining power. That is the argument which was made, as I understand, yesterday by the senior Senator from Georgia; it is the argument which was made by most of the State Department officials. It seems to be the only argument made, when common sense would seem to dictate we should leave the rates where they are until we find out what conditions are going to be like in the postwar period.

The argument is that the State Department have no bargaining power. They have reduced tariff rates pretty close to the 50-percent limit. In the case of England, they have reduced about half the rates all the way, and made some other reductions. They have no bargaining power with England, it is said. The reason they have no bargaining power is perfectly obvious. It is because of the most-favored-nation principle that is contained in this program. It is the poorest bargaining weapon the United States Congress has ever provided for an executive department, because we enter into a bargain with A, and whatever we give to A in return for something A gives, we give for nothing to B, C, D, and E, and when we come to deal with B, C, D, or E, of course we have no bargaining power left. We have already given them all they want for nothing, without any return from them.

Mr. MILLIKIN. Mr. President—

The PRESIDING OFFICER (Mr. MYERS in the chair). Does the Senator from Ohio yield to the Senator from Colorado?

Mr. TAFT. I yield.

Mr. MILLIKIN. I should like to point out to the distinguished Senator that the bargaining-power argument is self-destructive. According to the proponents

of the pending measure, we have already exhausted the bargaining powers which have been provided under existing law, and now they have to have another 25-percent bargaining power, which, in the course of time, will exhaust itself, and then there will be no alternative but free trade.

Mr. TAFT. Not only that, but it will be necessary to go a step further, because by the time we let in all imports free of duty, many other countries will still impose many duties, so we will have to subsidize imports from such countries in order to induce them to abandon the duties they still maintain.

Mr. MILLIKIN. So that this is a system whereby in the end we exhaust our bargaining power.

Mr. TAFT. Exactly.

Mr. MILLIKIN. It is not an argument for the system.

Mr. TAFT. Certainly not. It is the poorest argument that could be made. I cannot imagine that any nation in the world has ever had the bargaining power the United States Government has today. Every foreign nation is looking for American dollars, every foreign nation wants American assistance to aid in rehabilitation. We have all the bargaining power any nation could possibly desire.

Mr. MILLIKIN. Will the Senator from Ohio yield again?

Mr. TAFT. I yield.

Mr. MILLIKIN. If the additional 25 percent of bargaining power is advantageous and a good thing for the United States, then if we wiped the system out completely we would have a hundred percent bargaining power, which would be four times as good.

Mr. TAFT. Exactly; I agree with the Senator's figures.

Furthermore, we have not exhausted our bargaining power. All reciprocal trade agreements expire in 3 years. We can say to England, "Well, if you do not do so and so, we are going to raise these rates the next time we make a reciprocal trade agreement."

We have not destroyed our bargaining power simply because the President cannot reduce the rates on American imports any further than he has already reduced them. As a matter of fact, considerable reductions can still be made in a good many schedules, notably, the textile schedule.

We have other bargaining power; but what do we do with it? We had more bargaining power, probably, under lend-lease than we have today. We had bargaining power, and we should have been able to get from every nation in the world almost any concession we might ask for, but we insisted on giving away our property to them without any conditions. We considered that it was a privilege for us to be able under lend-lease to give them goods we produced, and we got nothing for that tremendous weapon of bargaining power. We threw it away.

What is proposed now by the Committee on Banking and Currency? It is proposed that we adopt the Bretton Woods agreement and put \$6,000,000,000 into two funds to be loaned to the na-

tions of the world—free, gratis, for nothing—and we get nothing in return.

It is proposed that we give away that bargaining power, and then in order to get a much weaker power in the pending measure, we authorize the President to reduce our tariffs further and destroy industries and deprive workers of jobs. I think the bargaining power argument is the most fallacious and inadequate argument ever advanced for any bill pending on the floor of the Senate.

What is expected that we will get by the use of this bargaining power? I do not think we will get anything very substantial. Yesterday the distinguished chairman of the Committee on Finance read the statement of Mr. Churchill's, in which he said, "Britain will not give up its right to safeguard our balance of payments by whatever means are necessary."

Of course they will not, and they will not give it up because we reduce a few tariff rates. England proposes to safeguard her "balance of payments by whatever means are necessary," and England has not indicated in any way that she is going to give up imperial preferences for the slight gain she can derive from the pending measure. A further 25-percent reduction might mean two or three hundred million dollars a year of British exports to the United States which would not compare with the advantage she obtains from her imperial preferences. We know about the blocked sterling balances. We know England owes all her colonies, especially India, billions of dollars. We know that the only way by which she can possibly pay those debts is by shipping goods into those countries, and insisting that they take British goods and not American goods.

I cited here a few days ago the case of a pump manufacturer who has made pumps for years and sold them in India; he built up a market in India; but now he cannot get a license to import anything into India, because the British, necessarily, since they have to protect themselves, since they have to work out some way of paying their debts to India and to the other colonies, have set up a system of imperial preferences. If anyone thinks the bargaining power contained in the pending measure is going to persuade the English to give up imperial preferences, I believe he is very much mistaken.

Mr. President, this morning I read to the Committee on Banking and Currency the statement of Lord Keynes, to the effect that one thing the British were not going to do was to give up restrictions on exchange for an indefinite period of postwar reconversion until they straightened out all their affairs, because the British know they have to restrict imports into Great Britain, if they wish to survive.

They know very well also that they cannot operate successfully as a nation unless they impose restrictions, and I say the idea that we are going to get rid of those restrictions by some bargaining power granted by this bill is a complete illusion.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Let me remind the Senator from Ohio that in the Atlantic

Charter Great Britain made a reservation covering the very subject matter which the Senator is now discussing.

Mr. TAFT. Yes; and every indication is, as Lord Keynes states, that Great Britain is going to protect the British and maintain tariffs as they please.

The case of the bicycle industry is typical. It was brought before our committee. In the United States about 2,000,000 bicycles are manufactured, and about 6,000,000 are made in England, of a slightly different type. The British bicycle industry was starting just before the war, and is now continuing, to make an American-sized model. They can export them to the United States, and we have reduced the tariff on bicycles, so that England, with her great productive power, can wipe out the American bicycle industry. There can be no question about that. The figures are available. It can probably be done under the 50-percent rate, and certainly it can be done under the 25-percent rate. What did we get from England? England maintained, as I recall, a 30-percent ad valorem duty on the imported bicycles. So we cannot make the lighter type of bicycles and ship them to England and compete with England. I do not think the present administration has shown in its use of bargaining power any evidence that it is going to use such power with any success whatsoever.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio claim that up to this time the American bicycle industry has been injured in any way by entering into the trade agreement?

Mr. TAFT. No. We entered into an agreement in 1939. The British did not make our kind of bicycles. They began to tool up for that purpose, but then the war came, and there was no further development of the British bicycle industry. They were not in a position to injure the American bicycle industry until they had begun to make the heavier type of American bicycle after we entered into the trade agreement with Great Britain.

Mr. LUCAS. The only point I wish to make is that the bicycle industry of America has not suffered one iota under the trade agreement with the British Government.

Mr. TAFT. That is perfectly obvious.

Mr. LUCAS. And that is true with respect to every industry in America whose representatives appeared and testified before the Finance Committee. The only thing they fear is what may happen in the future. In other words, it is apparent from what I saw of the witnesses that they have no faith in the present administration carrying out the trade agreements without adversely affecting the particular industries in which they are interested.

Mr. TAFT. No; the position of the industries whose representatives appeared before us was that a tariff rate of 50 percent or the present reduced rate would, if foreign competitors entered our market, put them out of business, because the foreign cost would be so much less. It is quite true, as I pointed out, that there has been almost no reduction;

that the reduction before the war was only to about 39 percent ad valorem. Very little reduction took place before 1938, and since then the war has nullified the effect. But there were some outstanding cases. In the case of the zinc industry, over the protest of the Bureau of Mines, the State Department in 1937, as I recall, reduced the tariff on zinc, with the result that the price of zinc fell from \$7 to \$2 a ton, if I remember correctly. A number of mines closed. Finally the workmen said they would work for a lower wage, but just at that time the war began and the zinc mines resumed operations. They were injured directly by the reciprocal trade agreements.

In the lace industry the imports generally increased and the price steadily decreased. The trade agreement with respect to lace was entered in somewhat earlier—in 1935 if I remember correctly. The imports of lace increased until they represented about 60 percent of domestic consumption instead of 21 percent, and the industry very largely closed down.

I remember in the twenties and the thirties, when the glass and chinaware industry of Ohio was almost completely closed down. That was before the reciprocal trade agreements, because Japanese imports came in over the Smoot-Hawley tariff law. The tariff rate was not sufficiently high to protect the Ohio industry against Japanese competition, and the plants were shut down and men thrown out of work. That is why I am receiving telegram after telegram from the laboring men in the glass and chinaware industries in Ohio begging me not to permit a further reduction in the tariff on glass and chinaware.

The testimony by representatives of the watch industry is that under the trade agreement while the watch industry was engaged in war work of different kinds, the imports of Swiss watches during the war increased from 1,000,000 to 6,000,000. That was a tremendous increase in the importation of watches, a taking over of the American market, and making it very difficult for the American watch manufacturers to recover the market.

The history of the Underwood Act of 1913 is very clear so far as textiles are concerned. American textile mills were very rapidly closing down. Many had closed down in 1913, when the First World War finally came to their relief; but, just so soon as the war was over there was a flood of imports into the United States, and Congress passed, first, the Emergency Tariff Act, and then the Fordney-McCumber Act in order to protect American industry against the great flood of imports which came from an impoverished Europe, where people had to work for very much less wages per hour than the workers in the United States received.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator speaks of watches. Of course, we all know that the American watch industry has never been able to supply the American demand for watches. All the important

watchmakers, including Waltham, Elgin, Hamilton, Howard, and others, whose watches are recognized as being a superior article, have never been able to supply the demand of the American people for watches, and there has, of course, been an importation of watches to supply that demand, largely from Switzerland. The trade agreement on watches became effective February 15, 1936. In 1933 the domestic production of watches and clocks was a little more than \$29,000,000, and we imported about 6.7 percent of that amount from abroad.

In 1935, which is the year before the trade agreement was entered into, our domestic production had gone up to \$62,500,000 in value, and the imports were 8.8 percent of the domestic production.

In 1937, the year after the treaty went into effect, our domestic production had climbed to \$104,446,000, and the importations in that year were 10.3 percent of the domestic production.

In 1939 the domestic production of watches was \$89,500,000—a falling off from 1937, probably due in part to the war condition. The war began in Europe in September 1939, but, anyway, domestic production was \$89,000,000 plus, and the percentage of importations compared to domestic production was 11.3.

Mr. TAFT. Possibly the decrease was because of the increased importations. That seems to be the obvious reason.

Mr. BARKLEY. No; the importations increased only 11 percent of \$89,000,000, which would not be as much as 10 percent of \$104,000,000.

Mr. TAFT. And since then the importations have quadrupled, or are six times what they were.

Mr. BARKLEY. That is true because none of our watchmakers are now making watches. Our watchmakers are now making precision instruments for the Navy and the War Department, and all the watches our people are now buying are imported. They have to be because we are not producing any.

Mr. TAFT. As I understood the representatives of the watch industry and the figures they presented it was very clear that in comparing the wages of labor in this country and in Switzerland, even at the present 50-percent rate they could not, because of costs, compete with the Swiss watch, and if the rate were cut in half there is no possibility of American competition, except for watches of a peculiar and special type.

Mr. BARKLEY. American watchmakers have always competed, and the amount of importations, beginning in 1933 and running up to 1939—I think we can even go back of 1933, and prior to the Tariff Act of 1930, which rearranged the classification of watches and watch movements—had not been larger than that which was necessary to supply the deficiency of our own domestic production, because we have never produced a sufficient number of watches to supply our own demand.

Mr. TAFT. One of the reasons for that is that the Swiss have refused to export machinery, and have refused to let their workmen leave and it has been a slow process to build up the watch industry, but it has been built up, and, certainly, today it is perfectly possible to

build it up further, expand it, and take care of the domestic demand, if we wish to do so. I do not advocate that. It seems to me the only question is one of degree—whether the tariff rate is to be reduced to such a point as to wipe out the American industry. That is the question actually involved.

Mr. President, there are a good many other industries shown by the evidence to be directly affected. The question of textiles is perhaps one of the most important, and the figures are very clear, indeed, that if the tariff on textiles is cut in half, the English production, particularly with the new automatic machinery which we are supplying to them, under lend-lease I may say, is going to permit them to export to this country textiles to take the place of practically all which are now made here.

The effect of wages is very clear in the textile industry. The textile industry was formerly located in New England. New England lost 75 percent of the textile industry to the South. Why? Because wages were lower. That was the only reason. It was not because southerners were more efficient, or because there was better management in the South. It was simply because wages in the South were lower. If 75 percent of the New England textile industry went to the South because wages were lower, thus destroying the industry in New England, obviously if the English wages, which are only half what they are in the South, operate as a factor, we are going to lose the textile industry in the United States, and it will move to England.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. We have a trade agreement with Switzerland and France with respect to cotton manufactures. Those two countries compete with us in the European region in the manufacture of textiles. The treaty with Switzerland became effective on February 15, 1936, and that with France became effective on June 15, 1936. The following year, 1937, we produced in the United States \$1,228,000,000 worth of cotton textiles, and we imported 2.3 percent of that amount from those countries. Two years later, in 1939, we produced \$1,012,000,000 worth of cotton textiles, and imported only 1.8 percent of our domestic production. So the trade agreement with Switzerland and France certainly did not injure the cotton textile industry in the United States.

Mr. TAFT. However, let me say that the cut made was a very slight one. It was a cut from 43 percent ad valorem to 35 percent ad valorem. It was not anything like the 50 percent authorized by the act. As a matter of fact, the policy of the administration did not succeed in increasing imports into the United States to any considerable extent, because the cuts which were made before 1939, before the British treaty, were not cuts of any particular importance.

Mr. BARKLEY. Taking all the nations with which we have these trade agreements, the amount of our exports increased 62 percent, and the amount of

imports from those same nations increased 21 percent.

Mr. TAFT. The whole 62 percent was about \$100,000,000, if I correctly remember—practically negligible in the national income. The subject was approached very gingerly. But when we came to the British treaty, we really began to make reductions. The result is shown in the fact that the average rate on dutiable products is only 31 percent, whereas it was 39 percent when the war began.

There is a long list of products, including textiles, bicycles, watches, roller bearings, and small metal parts of all kinds.

The chemical industry is a good example of an industry which we built up by tariff protection. It cannot compete with foreign chemical industry. It never was able to compete with the German chemical industry. It was greatly handicapped by its inability to proceed as rapidly as the German industry, particularly in the First World War, when it had no tariff protection.

Other products in the same situation are rayon and plastics. Then we come to the group of ores—iron ore, copper ore, lead ore, and zinc ore, which cannot successfully compete with South American ores.

Then we come to the field of agricultural products. The sheep raisers say, "If you want to reduce the tariff on wool, you can put the sheep industry out of business. We can quit." It is perfectly obvious—and the figures which they present are entirely convincing—that they cannot possibly compete with Australian wool. They say, "Perhaps it is all right to put us out of business." Perhaps it is. However, at this stage in the world's economy, when we do not know what the other countries are going to do, and when we do not wish to create unemployment in the United States, I do not believe this is the time to say deliberately, "Here is an industry which we will simply wipe off the books and eliminate from our economy."

We have the same difficulty with cattle, sugar, flax, linseed oil, and corn. There was a time when the Argentine corn came into the United States and clearly reduced the price of corn. In 1944 approximately 8,000,000 bushels of corn were imported from the Argentine into New Orleans and used for the manufacture of molasses. It was cheaper than American corn, and it will always be cheaper than American corn.

Soya beans and all the edible oils are subject to a decrease in production by reason of imports. We have imposed a 3-cent tax on coconut oil, inedible oil, to protect American producers of cottonseed oil and other oils. That can be reduced under this treaty. It was reduced once, and the Senate insisted on restoring it, if I correctly remember, because it felt that that was an interference with this particular industry.

Anyone who listens to the evidence with an open mind will come to the conclusion that if these rates are reduced the result will be to put out of business a considerable number of American industries. I do not know how many. I do

not pretend to say how large a percentage of the total would be involved, but perhaps a third of the industries of the country would be affected, some more seriously and some less seriously.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Among the items which the Senator has just mentioned, he has named products which go to the heart of the economy of perhaps a dozen of our western States. When it comes to livestock, hides, wool, minerals, dairy products, and sugar, those are the products on which we live. We are not talking abstractions. All those products can be produced in other countries more cheaply than we can produce them here. When we let them come in, we shall put a dozen States out of business.

Mr. TAFT. I agree with the Senator from Colorado.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Ohio has mentioned wool, and the Senator from Colorado has also mentioned wool. Wool has been one the great outstanding "sore thumbs" in the whole tariff structure. It has had its political repercussions. As the Senator from Ohio will recall, schedule 13 in the Payne-Aldrich tariff bill of 1909 affected his great and distinguished father very materially. In the Smoot-Hawley Act the tariff on wool was increased. After that tariff went into effect, domestic wool in the United States brought a price lower than the tariff. We have never produced sufficient wool to supply our own demands. It is in the same category as watches. We have never produced as much wool in this country as we use. In an effort to help the wool growers, in 1930 the tariff on wool was considerably increased, and following the enactment of that law, wool brought less to the wool growers of the United States than the tariff on it, which showed that the tariff on wool was a mere fetish. It did not affect the result, because wool certainly ought to bring as much as the tariff on it, if it brought no more.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. In connection with what the Senator from Kentucky has said, as I understand, the world price of wool today, plus our tariff which has not been reduced under trade agreements, amounts to less than the support price which we guarantee for domestic wool. For that reason, wool buyers find it cheaper to pay the world price for wool plus the full amount of the tariff than to buy domestic wool. I admit that there is a serious situation with respect to wool which will have to be straightened out.

Mr. TAFT. Am I to understand that the Senator from Vermont favors the elimination of the wool industry?

Mr. AIKEN. The wool industry has been going down for years.

Mr. TAFT. I am only asking whether the Senator thinks it should be eliminated. I do not know. All I am saying is that it would be eliminated if the tariff were cut in half.

Mr. AIKEN. Oh, no, Mr. President; I am not in favor of eliminating it. But the fact is that under the trade agreements in the last 10 years there has been no important reduction in the duty on wool. The wool industry is receiving the full protection of the tariff. But we must support the price for wool, because the tariff plus the world price is still less than the support price.

Mr. TAFT. Mr. President, the argument advanced by the Senator from Vermont is similar to that advanced by Mr. O'Neal. I asked him, "If the tariff on butter is reduced from 14 to 7 cents, what will happen to the butter industry?"

He said, "I can only answer that question in one way: It will not be reduced to 7 cents."

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield in order to permit me to make a possible correction?

Mr. TAFT. I yield.

Mr. BARKLEY. A moment ago when I referred to the Payne-Aldrich tariff bill, I intended to say it was passed in 1909. One of my colleagues suggests I may have said 1939. Of course, I meant to say 1909. Two or three tariff bills were passed subsequent to 1909.

Mr. TAFT. Yes, Mr. President, I am sure the Senator from Kentucky knows the difference, because he was here in 1939.

Mr. President, we are asked to give to the President of the United States the power to destroy one or many American industries, on the promise that the power will not be used to do that. Then, how will the President increase imports? The purpose of giving the power to the President is to increase imports into the United States of dutiable products, and all dutiable products compete with American-made products. So, if the President of the United States is not going to use the power, how will he obtain increased imports? If the President will not use the power and will not in that way increase imports, I say there is no use in passing the bill. This bargaining weapon, this club, will be of no use if it is not used. If we are not willing to have it used or if the President does not use it, it will be of no use as a bargaining power.

So we must assume that the President will use it to the full extent to which he will be able to use it, if imports into the United States are going to be increased. In the case of wool, if the President reduces the tariff he will increase the imports of wool into the United States and that will absorb the whole wool market. If the President decreases the tariff on butter, the result will be that vast amounts of Danish and other foreign butter will be imported, and that will force down the price of butter 7 cents a pound.

Mr. LUCAS and Mr. BUSHFIELD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. TAFT. I yield first to the Senator from Illinois.

Mr. LUCAS. Mr. President, the Senator from Ohio is using the same argu-

ment that so many of the witnesses have used. What they fear is fear itself, so far as this matter is concerned.

The truth is that up to now the President of the United States under the Reciprocal Trade Agreements Act has had wide latitude in bargaining power, which the Senator from Ohio has consistently fought. Yet, the butter industry, which the Senator from Ohio is telling America will be destroyed if the tariff on it is reduced 50 percent, has not been touched up to now. The only branch of the dairy industry which has been touched is the Cheddar cheese branch, and during the year when imports came in, they amounted to only 1.2 percent of the total production in this country; yet, during that same year, the Cheddar cheese industry sold to the domestic consumers more cheese than ever before in its history.

Mr. TAFT. Mr. President, I understand from the Senator from Maine that if all the power granted were used, the results would be to increase the dutiable products imported into the United States by less than \$1,000,000,000. If very little of it were used, the result would be to increase imports into the United States by only several hundred million dollars.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield again to me?

Mr. TAFT. I yield.

Mr. LUCAS. If that is all there is to it, then how can the Senator contend that many industries will be completely put out of business? If the figures of the Senator from Maine are correct, and if it will increase imports only several hundred million dollars, how can the Senator from Ohio tell the country that the industries to which he has referred will be put out of business?

Mr. TAFT. Perhaps the Senator misunderstood me. I said it would be less than \$1,000,000,000—in short, approximately \$900,000,000. I say that if there is an increase in the amount of \$900,000,000 of the imports of selected products on which there is now a duty, the result will be to put out of business a very large number of American industries.

I think the total wool production of the United States is not very large; I would suppose it is between \$50,000,000 and \$100,000,000 a year. I am merely guessing about that.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. AIKEN. The latest figures which I have show that for 1940 the wool production was 449,800,000 pounds, and our imports were 223,000,000 pounds during that year. So in 1940 we used more than the total amount of our production plus the imports of 223,000,000 pounds.

Mr. TAFT. Then I am correct; by \$100,000,000 of the \$900,000,000 approximately the whole wool industry can be put out of business.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. O'MAHONEY. I understand that the Senator has been talking about the question of power.

Mr. TAFT. Yes.

Mr. O'MAHONEY. Of course, it is not to be claimed at all that if the full authority were exercised, all our industries would be destroyed; but particular industries might be destroyed. We are dealing here with the fundamental question of power. It occurs to me, if the Senator will permit me to proceed for a moment, that perhaps I should refer to a speech which I was reading. At the moment when the Senator from Ohio was interrupted, I happened to be reading from a speech which was made on the floor of the Senate in August 1932 by a distinguished Democratic Senator, one of the outstanding constitutional lawyers of our time, Senator Thomas A. Walsh of Montana. I think his words might be of particular interest to the Democratic Senators who now are present.

Senator Walsh of Montana said, on August 10, 1922—and I am reading from page 11180 of volume 62, part 2, of the CONGRESSIONAL RECORD:

Whatever doubt may be entertained by anyone concerning the constitutionality of the amendments under consideration, no doubt ought to exist in the mind of anyone, in my judgment, as to their unwisdom. Their stoutest defenders will probably disclaim any attachment whatever to the principle they represent as a feature of a permanent tariff policy; indeed, they hasten to convey the assurance that, were it not for the chaotic business conditions which prevail throughout the world and the instability of foreign exchange, they could not be induced to embrace it or even to tolerate it. Some apology, Mr. President, is certainly in order for such an astounding delegation of the functions of Congress to the Executive, vesting him with an authority no constitutional monarch may exercise, in character quite like that for the assumption of which kings have been brought to the block.

No emergency, however grave, can justify the surrender into the hands of the President of the taxing power entrusted by the people to their representatives in Congress, no matter how profound may be his statesmanship or how exalted may be the character of the man who for a brief period may be elevated to that high office. If this encroachment upon the liberties of the people is either sanctioned or condoned, there is no man wise enough nor prescient enough to foresee the ultimate consequences.

There, Mr. President, in a few paragraphs a distinguished Democratic Senator, Senator Thomas J. Walsh, predicted precisely what is happening here today.

I remember very well, when first I appeared before the Finance Committee of the Senate, years ago, to protest against this conveyance away from Congress of its power, making the statement that if a grant of power to change the rates 50 percent were found not to be sufficient to accomplish the purposes which the Executive might have had in mind, then we might confidently look forward to the time when request would be made to increase the area within which the change could be made. Sure enough, when the Reciprocal Trade Agreement Extension Act was sent to Congress this time, it contained a provision extending the area within which the reductions could be made, so that the formula would be 50 percent of whatever rate might be in existence. So if a trade agreement with

Great Britain 3 or 4 or 5 years ago reduced the tariffs 50 percent, they could be reduced another 50 percent. Logic clearly points out that when we start surrendering power, there is no end to it. It may proceed step by step, and gradually the whole basis of congressional functioning is swept away by the granting of power to the Executive.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield to me in order that I may propound a question to the Senator from Wyoming?

Mr. TAFT. I yield.

Mr. BARKLEY. In the speech of Senator Walsh, from which the Senator from Wyoming has quoted, the Senator was evidently talking about the amendment which had been offered to the Tariff Act of 1922.

Mr. O'MAHONEY. Yes.

Mr. BARKLEY. Will the Senator advise us what was the amendment which was being discussed?

Mr. O'MAHONEY. I have not gone that far back into the RECORD. I was only reading from Senator Walsh's speech.

Mr. BARKLEY. The speech is supposed to be pertinent to an amendment which was offered.

Mr. O'MAHONEY. Yes; but I merely called for the RECORD from the Library. The speech had to do with the delegation of power which was contained in the Fordney-McCumber bill. I have not read entirely the exact text.

Mr. BARKLEY. The amendment evidently was one which had been offered by the administration then in power, which sought to do something along the line of that which has been followed since, and the Senator from Montana opposed it. If I assume correctly, the argument was against the wisdom of the amendment and not against the power to be granted.

Mr. O'MAHONEY. I will read that part of Senator Walsh's speech also. He made an unanswerable argument against the delegation of power.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LUCAS. The Senator from Wyoming has stated that Senator Walsh made an unanswerable argument against the delegation of power.

Mr. O'MAHONEY. Yes.

Mr. LUCAS. Is the Senator referring to an address which was made by the distinguished former Senator from Montana, Mr. Walsh, on the subject of the tariff?

Mr. O'MAHONEY. Yes. I think the discussion pertained to the Fordney-McCumber bill.

Mr. LUCAS. As the Senator knows, Chief Justice Taft later upheld the constitutionality of the flexible tariff provisions in the Hampton case.

Mr. O'MAHONEY. Oh, yes; that is correct. The decision in the Hampton case was rendered on the specific point that in the law which was under construction at that time the standards were clearly established, that there was a specific rate to be fixed. I do not think it was the Fordney-McCumber law which was construed in the Hampton decision.

Mr. LUCAS. As I recall, Chief Justice Taft's opinion answered Senator WALSH's argument.

Mr. TAFT. Mr. President, I should like to correct the RECORD in two respects regarding wool. In the first place, it is not true that the tariff on wool was not reduced. It was reduced by the agreements with Argentina and Uruguay in 1941 and 1943 to substantially 60 percent of the former tariff. The reduction was made and the administration saw fit to use its power to reduce agricultural products. In the second place, the entire annual production of wool in the United States is approximately \$140,000,000. If we consider the entire picture, the production of wool is one of the industries which would suffer severely, and face entire elimination.

Mr. AIKEN. The Senator stated the tariff on wool was reduced in 1941 and 1943. Did that reduction apply to any particular amount?

Mr. TAFT. The tariff was reduced substantially as to different grades.

Mr. AIKEN. Does the Senator know whether there was any limitation incorporated in the agreements?

Mr. TAFT. I do not know. Nothing with respect to that point is noted in the book.

Mr. President, I wish to say a few words about the importance of foreign trade, because I think that foreign trade as a producer of prosperity is grossly exaggerated in its importance. Our exports in foreign trade since the First World War at no time amounted to more than approximately 7 percent of our national income. They reached as much as 7 percent in the period 1925 to 1929, when we had one of the highest tariffs we ever had. During the period from 1925 to 1929 our imports and exports were greater than they have ever been since.

Not only that, Mr. President, but of the \$4,000,000,000 worth of annual imports, approximately two and one-half billion dollars worth came in on the free list. In other words, they were not affected by any tariff reduction. They are not to be affected by the pending bill. The importation of all articles which we wish to buy, and which we cannot make here in the United States, such as coffee, chocolate, and tropical products of all kinds amounts annually to approximately two and one-half billion dollars of the total \$4,000,000,000. Only one and one-half billion dollars represent the value of goods which came in over the tariff wall.

From the Tariff Commission reports which the Senator from Maine will present when he speaks, the total possible addition to those imports is approximately \$1,000,000,000. Over the highest tariff wall which we ever had we obtained one and one-half billion dollars worth of dutiable products. One billion more of imports may be involved. The portion of our total production which we are considering, therefore, in a country with \$125,000,000,000 of national income today, is less than 1 percent of our total income. Whether it increases or decreases in the future, it will have a substantially small effect on the actual prosperity of the country.

As a matter of fact, Mr. President, the cart is being placed before the horse. The prosperity of this country creates imports and exports. It creates imports by which exports may be paid for. The evidence of that fact is perfectly plain as shown by the table to which I referred. The table shows the exports and imports of United States merchandise from 1924 to 1943. I ask unanimous consent that the table be printed at this point in the Record as a part of my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

Foreign trade of the United States, 1924-43
(In millions of dollars)

Year	Exports of United States merchandise	General imports
1924	4,468	3,610
1925	4,819	4,227
1926	4,712	4,431
1927	4,759	4,185
1928	5,030	4,091
1929	5,157	4,399
1930	3,781	3,061
1931	2,378	2,091
1932	1,576	1,323
1933	1,647	1,449
1934	2,100	1,655
1935	2,243	2,047
1936	2,419	2,423
1937	3,299	3,084
1938	3,057	1,960
1939	3,123	2,318
1940	3,934	2,625
1941	5,020	3,345
1942	7,960	2,743
1943	12,592	3,361

Source: Statistical Abstracts of the United States, 1943, p. 509.

Mr. TAFT. In substance, the table shows that during the years 1924 to 1928 exports were approaching \$5,000,000,000. Imports averaged approximately \$4,000,000,000. In 1926 they reached \$4,400,000,000. In 1929 the exports were \$5,167,000,000 and the imports were \$4,399,000,000. After that, and coincident with a general collapse in all the world trade and all domestic business, they decreased in 1932 to only a billion and a half dollars' worth of exports and \$1,300,000,000 worth of imports. Then they gradually improved up to 1939, which may be said to be the last prewar year, when the exports reached a value of \$3,123,000,000 and the imports reached a value of \$2,318,000,000. As a matter of fact, trade treaties were not extensively used prior to the war. What will be the full effect of what has been done since 1938 and 1939 no one can tell until later. That is one reason why I think we should ascertain what the present 50-percent reduction will bring about before we grant more power.

Mr. President, what I have been saying shows that the way to increase imports is to increase prosperity in this country. If we can build up prosperity, we will have the necessary imports to pay for all the exports we can possibly furnish. Imports will probably be increased. An increase of duty-free imports is far more important than the import of dutiable imports. Incidentally, it does us no harm. If we double the importation of dutiable goods, it will threaten the very existence of a number of American in-

dustries and will threaten to throw people out of work. If the policy proves workable, the most we can hope for is an increase of approximately 1 percent in the national income of the United States. I assert that the entire picture of foreign trade and its possibility of expansion by reducing tariffs is grossly exaggerated, and that it is not something for which we should sacrifice any considerable part of the American economy.

The argument presented here is, very briefly, that we must import more goods. We must take down our tariff barriers and import more goods in order to export more goods. I venture to suggest that there is another bottleneck in connection with our power to export. I refer to the ability of other nations to buy our exports, and our ability to compete with other nations in our exports. We have built up in this country, whether rightly or wrongly, a higher price level and a higher wage level than there has been built in any other nation of the world. It is sometimes said that is due to greater efficiency. I suppose that in part at least the wage level is due to greater efficiency; but it is a little hard to say how any part of a price level on farm products can be due to greater efficiency. It may have an indirect result, but I think all the evidence shows that there is something else besides efficiency. Whether rightly or wrongly, we have deliberately protected our wage levels and our price levels. We have permitted the unions to push constantly for higher wages even though they might be uneconomic, if the industry involved had to compete with world industry. We have boosted farm prices, deliberately in some cases; and the result has been that we have created a wage and price level which is above that of the other nations of the world. I think it is not merely a question of a higher standard of living. We have a higher standard of living, which, to an extent, is the product of greater efficiency; so that we can stand the competition of the rest of the world; but entirely apart from that, we have gone on and built up a higher price level and wage level entirely apart from any question of efficiency.

It is a little difficult to make a comparison of prices. Taking sugar; sugar in Java, for instance, sells at 2 cents a pound, whereas it sells in the United States at 4½ cents a pound. In July 1939 wheat was selling in the United States at 80 cents a bushel, while Canadian wheat was selling for 52 cents a bushel. If we take all the tariff off wheat there will obviously be a leveling of prices. It may be that our wheat is artificially priced, and I agree; it may be that if we could reduce our price level and our wage level by 20 percent, and put them more in line with world levels, we could have just as high a standard of living and be just as well off; but let anyone try to reduce the wage levels in the United States 20 percent. Let anyone try to reduce farm prices 20 percent overnight by Government fiat. It is something that cannot be done; it is not a matter that is feasible; it is a condition and not a theory. We have a higher price level and we have a higher wage level. It is very clear for

instance that the workmen in the textile mills in this country are much more efficient than the English workmen, but it is not true that they are twice as efficient, although they get twice as much money as the English textile workers. I cannot understand how today, in view of the wages paid in other countries, we can hope to build up any great volume of export trade.

England is absolutely dependent on exporting 50 percent more goods than she exported before the war. England must do it. She is going to make the goods she produces at a cheaper price in competition with us, even if she has to reduce the English standard of living in order to do so. England cannot help it; she will have to do it.

Certainly, it is going to be easy for a couple of years, because industries in other countries have not started, but once they start we are not going to be able to compete with them in foreign trade, except in the case of a very limited number of products which we have some very special ability to produce. Is it true that we shall always be ahead in mass-production industries? What is to prevent Henry Ford from starting a factory in England and a factory in Russia and making automobiles in Russia for the Russians and in England for the English? Why should he not? Everybody knows now what machinery is necessary. We have the know-how; but the people of other countries can come here and acquire the know-how, construct their own factories, and build up their own mass-production enterprises. The original argument for free trade was that a particular country had a particular know-how, and that the people of no other country could acquire it in order to make a given article, that they had skilled workmen who could make it. That argument, however, is no longer tenable, because, with communications and knowledge and information what they are today, mass production can be transferred from one country to another. Let us not forget the policy deliberately indicated in the Colmer report, that we ought to export \$3,000,000,000 of capital every year for the next 10 years. That is a part of the same theory of expanding foreign trade. So far as I can see, there is nothing to prevent the building up in many other nations the same mass-production industries which we think are our exclusive property and in which we think we are going to be particularly efficient. Is the Japanese workman any less efficient than the American? Is the European unable to learn to operate a machine?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I merely want to venture a suggestion that there is a very good reason why Henry Ford will not establish a factory in Russia. I think the reason is obvious, is it not?

Mr. TAFT. The Russians can build a factory and then ask Henry Ford to operate it or ask him to send his experts. That has happened over and over again. We have built under lease-lend a half a

dozen oil-refining plants in various places, and now we are being asked to send over experts to teach them how to operate the oil plants, and we are going to send them under lend-lease. That is the understanding.

Mr. FULBRIGHT. Henry Ford would not operate because Russia would not permit a private enterprise, would it?

Mr. TAFT. Russia gives concessions; she is not entirely wedded to socialism. Russia insists on state ownership, but would be perfectly willing to have American engineers operate a plant.

Mr. FULBRIGHT. There is another question I should like to ask concerning a matter about which I am not clear. The Senator from Ohio says that foreign trade is not so important. Does the Senator think it is fair to measure its importance solely in dollars and the amount of commodities exported? What I have in mind is the case of cotton. We will say that, roughly, 50 percent is exported, and in the past it has made all the difference in the world whether operations could be continued in the South. Is it not true that if cotton producers are prosperous, their prosperity generates an enormous amount of internal trade which really can be traced to the external trade?

Mr. TAFT. I think the Senator misunderstood me. I may have said what he has indicated, but I did not mean to say foreign trade is not important. What I intended to say was that the tariff bill we have been debating does not mean an important increase in foreign trade, because two-thirds of our foreign trade consists of duty-free products, and that trade will increase, anyway. With an income of \$125,000,000,000 a year, we are bound to import somewhere between three and five billion dollars of non-dutiable imports. Payment for those imports provides the dollars to foreign countries to enable them to buy our cotton. In other words, regardless of the tariff, regardless of whether we abolish it, regardless of whether we raise it, plenty of necessary imports will continue to come in and create the necessary dollars to enable foreign countries to pay for the things we have to export. The trouble is that when we increase the number of dollars in foreign pockets, we find that they all go to buy manufactured products in the United States and not go to buy cotton, unless we subsidize cotton.

Mr. FULBRIGHT. If it is not so important, I do not see why the Senator should be so vigorous in his opposition, if we happen to think it is important. Why does the Senator care, if it is not important?

Mr. TAFT. I think it is important whether we destroy a number of American industries. The total number of products which would be affected perhaps would not be overwhelmingly great, probably not over a third, and the other two-thirds at the present time are rather safe. I question whether they will be in the future, but they are today. But that is not so large a volume. Increased trade will not have much effect on prosperity, but a good many thousand people would be deprived of work, and I do not think

we ought to deprive them of work at the present time, as would happen if a certain number of industries were abolished.

Mr. FULBRIGHT. Can the Senator point to any industry of importance that has been put out of business or seriously damaged during the past 10 years of the operation of the trade-agreements program?

Mr. TAFT. I think I have answered that before. I gave a list of some six which had been seriously injured. I pointed out that there was very little reduction, that as a matter of fact the big reduction in treaties was made from the first of January 1939, in the British treaty, and in treaties since that date, which have not been tried; that in 1938, the last year before the treaty with Great Britain was made, the duties on dutiable imports were still 39 percent higher than the Fordney-McCumber tariff rates, and that they are now only 31 percent, according to the rates which have been put into effect. We never had a trial under those circumstances.

I think the Smoot-Hawley tariff rates were too high. I think they could stand a very reasonable reduction. I think the people who represented that they could not operate without those rates exaggerated, probably. But there was the principle, and I do not think it would be possible to protect those industries and prevent their destruction if the rates were reduced to 25 percent of the Smoot-Hawley tariffs.

Mr. FULBRIGHT. One further question. In reference to cotton, which, as the Senator knows, is the principal crop in my State, and throughout the South, if we were not able to export cotton, it is very likely, as I think all agricultural experts agree, that our States would go into the production of beef and dairy products. The opposition of the Senators from the Western States, where much of our beef has traditionally been produced, might be considered in that light, that the competition which would be generated as the result of cutting off our export markets for cotton would hurt them quite as much as importing a little beef from Canada or Argentina.

Mr. TAFT. The Senator means that if they went into the cattle business they would give up the production of cotton and there would not be the export of 50 percent of the product raised in those States, as at present?

Mr. FULBRIGHT. It is very likely, and my own opinion is that it is most likely that we would produce beef and dairy products, which we can produce, I think, effectively in competition with many of the Western States. As the Senator knows, the cotton industry is more or less traditional, and its roots go back many years.

Mr. TAFT. I venture to think that if the Senator's State built up a cattle industry, it would not be very serious competition, that the consumption of beef would increase, and that there would not be any great effect, because of the increase in prosperity brought about by that.

Mr. FULBRIGHT. If that be true, I do not see why imports of beef from other countries could not be absorbed in the same way.

Mr. TAFT. Largely because of the fact that they come in at a lower price. The difficulty we have gotten ourselves into is that with us cotton is selling at 22 cents, while it is selling in Brazil at 16 cents. How can we hope to export cotton unless we subsidize it? We have gotten into such a condition that our price level is higher than the price levels of the rest of the world, and if we let beef in without any tariff—I do not think the tariff keeps it out, but it is kept out by the foot and mouth disease regulation—if we let it in, it simply means we will lower the price of our beef to the point where our beef producers will not be able to produce any beef, and they will have to go out of business.

Mr. BREWSTER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BREWSTER. I think the Senator from Arkansas did not speak quite loudly enough for the senior Senator from Wyoming [Mr. O'MAHONEY] to hear him, and it was to that Senator, I assume, he was addressing his remarks. The Senator from Wyoming was a little preoccupied at the time.

Mr. FULBRIGHT. No; the Senator from Wyoming bases his argument purely on the constitutional ground; I understand he has no interest whatever in beef.

Mr. BREWSTER. I think he was the only one who came under the definition of western Senator opposing this measure who was immediately available. However, I think the Senator from Arkansas should bear in mind that it is the accepted and announced policy of this administration, and of Mr. Clayton, who is administering our foreign economic affairs, that the export of cotton is to be ended. He made that entirely clear before the committee which discussed his nomination, and he announced that, so far as he was concerned, and so far as he had anything to do with the matter, cotton would not be an export commodity hereafter, because the American people would not continue to pay the subsidy. As the Senator from Ohio pointed out, that is essential in order for them to engage in world commerce.

Mr. FULBRIGHT. Will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. To so engage on the present prices, but I think the leading cotton people believe that, through mechanization, they are going to be able materially to reduce the cost of the production of cotton. It is the general view in my State that they expect to be able to do that.

Mr. BREWSTER. Would not the Senator accept the views of Mr. Clayton as one who is at least somewhat familiar with the cotton industry, in view of his considerable activity in it not only here but in Brazil, so that he presumably knows something about the cost of production?

Mr. FULBRIGHT. Does the Senator mean that Mr. Clayton made the statement considering increased efficiency of production, that would happen under present conditions?

Mr. BREWSTER. He said it would be impossible for the United States, under

any development he could contemplate, and his knowledge of it, to be permanent participants in the world cotton market, and he anticipated also that the smaller cotton growers of the old South in any event would be eliminated.

Mr. GEORGE. Mr. President, may I ask when Mr. Clayton made any such statement?

Mr. BREWSTER. Before the committee which was hearing the question of his nomination, the Committee on Foreign Relations, when he was interrogated very carefully by the Senator from Alabama [Mr. BANKHEAD] on this very statement of policy, with which the Senator from Alabama sharply disagreed.

Mr. GEORGE. I am sure he never made any such statement before the Committee on Finance.

Mr. BREWSTER. This was before the Committee on Foreign Relations.

Mr. GEORGE. I am sure he holds exactly the contrary view.

Mr. BREWSTER. The statement was made, as I have said, before the Committee on Foreign Relations.

Mr. GEORGE. I think the Senator misunderstood Mr. Clayton, and I know he would not want to misrepresent him.

Mr. BREWSTER. Certainly, I would not, and I shall check the record, and correct it if I am in error.

Mr. YOUNG. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. YOUNG. Under our agricultural program, over a period of years the farmer was limited in the amount of wheat he could plant, and that was also true in the case of sugar beets, until last year. Any importation whatever of any agricultural product may put the American farmer out of business, or some farm worker out of a job, or deprive some returning soldier of a chance to go into the farming business and make some money. I cannot for the life of me see how the tariffs on some agricultural products can be reduced without putting somebody out of business.

During 1944, in the State of North Dakota, we produced more than 360,000,000 bushels of grain and potatoes, 2,000,000 head of cattle, and a million hogs, and if we had lower tariff rates, and the producers of those commodities were out of business, we would not have them to count on now during this food crisis.

Mr. TUNNELL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. TUNNELL. I merely wanted to say, with reference to the interrogation of Mr. Clayton, that Mr. Clayton was very positive in his statement that the American people would have to reduce the cost of production so as to compete with the rest of the world. I was on the committee and heard his testimony; I think all his testimony, but that was his position; that we could not permanently continue to subsidize and compete with the world.

Mr. TAFT. Mr. President, I hope very much that the cost of production of cotton in the United States can be reduced, but I venture to point out that in the other cotton-producing areas of the world people have just begun to grow cotton, and have the most modern methods, and just as fast as we invent a new

cotton picker they will have the new cotton picker, and their labor will still be paid one-half to one-tenth what labor is paid in the South of the United States, under the wage-and-hour law and other laws.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. How will refusal to extend the Trade Agreements Act prevent Brazilian cotton from taking away our market in Europe?

Mr. TAFT. It will not. At the moment the only solution of the cotton problem is to subsidize the export of cotton on the ground that it is a social problem which has to be taken care of. I do not know of any other immediate solution.

I merely wish to point out, however, that if we should put up the tariff wall 100 percent on the one-third of imports which are dutiable, the other two-thirds would provide enough in the way of imports, with reasonable prosperity in this country, perhaps three or four billion dollars worth, to provide dollars to buy all our cotton exports.

The trouble is that the cotton exporters are competing with the automobile exporters and every other business concern in the United States that is making a product which perhaps may be exported.

A plan has been proposed by the Senator from Mississippi [Mr. EASTLAND] to require that when imports came in, the dollars received therefor shall be used only to export agricultural products. It may be that something of that sort can be worked out, though it is a pretty difficult thing to do.

The price level of farm products and of other products in this country is considerably higher than the world level. In January 1939 the price of wheat was 81 cents in this country and 52 cents in Canada; the price of oats was 31 cents here and 25 cents in Canada; the price of barley was 51 cents here and 35 cents in Canada; the price of apparel wool was 64 cents here and 41 cents in Canada; the price of cotton yarns here was 21.21 cents, one type, another type 26 cents in New York and 19 cents in Manchester, another one 31 cents in the United States and 20 cents in England. On another product the price was 31 cents in the United States and 20 cents in England. On still another it was 45 cents in the United States and 35 cents in England. On wool tops it was 90 cents here and 49 cents in England. On worsted yarn it was \$1.30 here and 70 cents in England. On sodium sulphate it was \$21 a ton here, \$15 a ton in Canada, and \$16 a ton in the United Kingdom.

The point I make is that we have established a higher price level, and if we remove entirely or cut the tariff on all farm products in half, we will force down the price level here. There is no question about that. That cut is either going to come out of the taxpayer's pocket or out of the pockets of the farmer, one or the other. I do not know which.

It is said that the trade-treaty system is necessary for private enterprise in the

world. That is what Mr. Lippmann said. I do not see any potency in such a contention. Whether England has restrictions or does not have restrictions, there will still be private traders in England. That is the system the English believe in. But if we create a condition whereby we knock down the price level of all agricultural products, then without any question we are going to have the Government step into the agricultural field again, and we will have regimentation of agricultural production, and large subsidies will be paid out of the pockets of the taxpayers, which is a more direct attack on the private enterprise system, I think, than anything else that can be done.

Incidentally, why are all the Communists and left-wing adherents in favor of this proposal? Because they want to force people into the mass-employment industries. That is where the CIO, with its PAC, is strong. They want to get rid of the craft unions and build up their industries and make this a country of mass-production industries. That is the reason they are for this plan. They are for it because they know that if it results in creating a great deal of employment in the other fields, it is going to make for trouble in this country and make for demands that the Government step in and spend large amounts of money and build up and regiment our economy. That is why all the left-wingers are for the proposal. That is why the Communists are issuing pamphlets in favor of it. That is why the PAC every moment of the day is sending telegrams favoring it.

Do Senators think that kind of economy is what we should have in the United States? Is it not a good deal better to have thousands of small industries? Is it not better to have an economic set-up which contains all types of industry, in which all types are represented, and in which every craft in this country may be developed? Perhaps we cannot take care of everything, but when war comes, then under such a plan we can build up a strong industry. I do not think it is desirable for this country to turn entirely to the mass-production industries.

Mr. President, it is not a question of efficiency that is involved. Our textile workers are as efficient as any in the world. Our workers are just as efficient as the British workers. But the reason is that the standard of living is lower in other countries than in this country. Their cost of cotton is lower; their cost of wool is lower. If we were to take off all tariffs, it would mean that other countries with less efficient industry could step in, perhaps, and eliminate more efficient industries in the United States of America.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. TAFT. I yield.

Mr. ROBERTSON. I received a letter this morning from which I should like to read one paragraph. The letter is from Mr. Howard D. Salins, managing

director of Flax and Fiber. The address of this concern is 6423 North Newgard Avenue, Chicago 26, Ill. I read:

For your information and in the interests of American farmers and the country as a whole we are passing on to you the report gathered by our radio monitor yesterday (Sunday) night, that the United States Department of State has entered into another trade agreement with the Argentine whereby the United States of America will ship her 500,000,000 gallons of precious gasoline in return from her of flaxseed.

If that be true, Mr. President, and I have only this letter to vouch for it, it seems to me a strong argument in favor of the position taken by my distinguished colleague [Mr. O'MAHONEY] that all trade treaties should be subject to Senatorial approval. If we are going to drain our present resources, which once taken from the earth can never be replaced, for agricultural products which can be grown year after year, I think most definitely such arrangements should be subject to senatorial action.

Mr. TAFT. I thank the Senator.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. I should like to clear up the matter of Mr. Clayton's testimony. I have before me a copy of the hearings. From a reading of them it seems to me he very clearly indicated that he proposed the elimination of the southern cotton growers from the world market because of the impossibility of their competing. I can read portions of his testimony which seem to me clearly to bear this out. On page 59 of the hearings before the Committee on Foreign Relations of the United States Senate, when there was being discussed the question of increased production in South America, the Senator from Alabama [Mr. BANKHEAD] asked Mr. Clayton regarding his position as to the cotton growers in the South. Mr. Clayton said:

I think that with Government help he ought to be put in a position where he can operate without Government help; yes, sir; that is what I believe.

Senator BANKHEAD. But you want that Government help to continue over a long period of years?

Mr. CLAYTON. I think it would probably take from 5 to 10 years to reconvert the cotton industry.

Senator BANKHEAD. And you believe in one world price for cotton?

Mr. CLAYTON. Yes, sir; I do.

Senator BANKHEAD. You believe the American southerner should be required to sell his cotton at the same price that the cheap Indian worker and the Egyptian worker get for their products?

Mr. CLAYTON. No, sir; I do not think that he should be required to do it.

Senator BANKHEAD. Well, not required; but if he did not have a market otherwise he would be required, would he not?

Mr. CLAYTON. Yes, that is right.

Senator BANKHEAD. So, in effect, that is what it means?

Mr. CLAYTON. In effect it means this, Senator BANKHEAD—that if in time the production of cotton cannot shift to more efficient lands, more efficient means of production, so as to meet this competition, then the Government has got to help the cotton farmer get out of that business and get into something else.

Mr. Clayton's testimony continues on the next page. I shall read only the pertinent part:

Senator BANKHEAD. Well, you know, there is a difference of about seven or eight cents in the world price of cotton and the American price of cotton?

Mr. CLAYTON. Yes.

Then Mr. Clayton takes up Secretary Wickard's plan. This is Mr. Clayton speaking:

If the plan of Secretary Wickard, that I and that others advocate, is not adopted, then you are going to continue with the present plan presumably, which is to produce twelve, thirteen, or fourteen million bales of cotton a year, which you cannot sell. Now, I do not know how long the United States Government can go along with that kind of thing.

Mr. Clayton proceeded to make it perfectly clear that he did not believe the subsidy program should continue. He did indicate, as I think the Senator from Georgia indicated, that it might be possible for areas in the West to compete with the world price, but he did not believe it was possible in what we characterize as the Old South. It was from that statement that I gained my impression that he expected to reconvert what we call the southern cotton growers into growers of some other products, and that they could not possibly hope to continue an economy under which they were exporting cotton in the world markets.

Mr. TAFT. Mr. President, I desire to make one thing perfectly clear. I do not want to decry the importance of foreign trade. What I wish to point out is that all this cry about how we are going to increase trade by reducing the tariff seems to me to boil down to a very small percentage, and one that cannot possibly have any broad effect on the exports of the United States and on increased national income of the United States. After all, even 1 percent of additional imports, which might produce 1 percent of additional exports, is not a net gain in our national income, because if that 1 percent were not imported, part of it, at least, would be made in the United States. The argument is that if we want to export something, we must import something to help the other fellow pay for it. But if we import something we must create an American market for those imports; and if we can enlarge our American market for imports, we can enlarge our American market for American-made goods. The foreign goods might be somewhat cheaper; but an increase of 1 percent in imports would result in an increase of only a fraction of 1 percent in the national income of the United States.

I see no reason to think that the proposed reduction could have a substantial effect on the prosperity of the United States. I can see how it might lead to perhaps \$1,000,000,000 worth of imports, and that \$1,000,000,000 of imports might destroy many small American industries, throw many people out of work, and create a condition which we could not successfully meet without Government aid and Government spending.

Mr. President, I wish to make only one further point. The argument is that in

some way international trade makes for peace. I do not see why it makes for peace. I have never seen the argument followed through. There is very little evidence that wars have resulted from economic conflict—certainly not from quotas, so far as I can see. Most wars have resulted from a desire for power, the development of totalitarian leaders, or excessive nationalism. There is no evidence that I know of that import quotas and refusal to accept the imports of a particular country have produced war. It seems to me that unlimited competition in international trade is more likely to produce international friction. It has produced international friction in the past. The Underwood tariff certainly did not bring peace. It was followed by the First World War. The reciprocal trade agreements were followed by the Second World War.

There is no concrete evidence that free trade ever brought peace. During the nineteenth century, when the British had free trade, when they were seeking trade in every corner of the globe, more wars were started. Markets were grabbed and lands were seized in order that there might be trade with other countries. After all, Japan was an isolated country until we broke in and insisted upon her entering into world trade. The result of the insistence that Japan enter into world trade was not anything that we can consider as a generally successful move for peace.

I do not see any evidence that quotas and exchange restrictions have brought war. As I see it, we have only one problem. There may be countries so lacking in self-sufficiency and in markets that they cannot buy the things which they ought to have to feed themselves and to keep their economic machinery running. If there are any such countries, under the guidance of the San Francisco Conference and of the Social and Economic Council, and with their approval, I think we could enter into bilateral treaties with those countries. If Czechoslovakia must export a certain number of shoes, I think it would be fair enough for us to say, "We will take our share to help this particular economic sore spot in the world." I have no objection to bilateral treaties of that kind; but this proposal is a proposal to reduce all tariffs to all nations, whether they need it or not. Therefore it has no relation to world peace. It is simply an economic policy which I think will tend to bring destruction and unemployment in this country, rather than prosperity and peace.

Mr. President, I should like to add that so far as I am concerned, I do not wish to go back to the original tariff-making policy by which Congress, through log-rolling methods, made the tariffs. I should be perfectly willing to delegate to a tariff commission the power to make tariffs, provided we could lay down in the law sufficiently definite standards so that the commission would be bound by such standards, and so that those who are injured by the failure of the commission could go to court and have the law interpreted, and compel the administrative board to conform to the standards laid down by Congress.

I hope that 2 or 3 years from now, when this act again comes before us for consideration—because I assume that in some form it will be extended, and I see no great objection to extending it at the present time, although I do not approve of the principle of unlimited delegation—we may have presented a permanent tariff policy by which a board may fix tariffs, at rates which will protect American industries, with such exceptions as Congress see fit to make, or with the exception of industries producing only a very small proportion of the total consumption requirements of the United States. I believe very strongly that such a system can be devised, and I hope that such a system may be presented 2 or 3 years from now.

Inasmuch as there are no standards, and inasmuch as this is a request to give the President arbitrary power to establish any tariff he pleases, and destroy any vulnerable industry he pleases, and inasmuch as there is no proposal to write any standards into the law, I intend to vote for the amendment of the Senator from Wyoming, which provides that after a treaty is made it shall come back to Congress for ratification. I do not think that is the best method of dealing with the problem. I would rather have the standards prescribed in advance, and have the Commission authorized to make tariffs under those standards, which I hope would protect every important American industry.

Mr. President, I cannot understand the reason why today, without having first tried the 50-percent cut, without having first tried the 31-percent tariff on dutiable products, we should suddenly, without having any experience with such tariffs, step into a 16-percent tariff, a tariff which certainly would wipe out a very considerable number of industries if the power were used. I do not believe that we can escape our responsibility for the destruction of those industries and the unemployment which would result by saying "We do not think the President will exercise those powers."

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Guffey	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Pepper
Bankhead	Hayden	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Robertson
Brewster	Johnson, Colo.	Saltonstall
Bridges	Johnston, S. C.	Shipstead
Briggs	La Follette	Smith
Brooks	Langer	Taft
Buck	Lucas	Thomas, Okla.
Burton	McCarran	Thomas, Utah
Butler	McKellar	Tobey
Capper	Magnuson	Tunnell
Chavez	Mead	Tydings
Donnell	Millikin	Wagner
Downey	Mitchell	Walsh
Ellender	Moore	Wherry
Ferguson	Morse	White
Fulbright	Murdock	Wiley
George	Murray	Wilson
Gerry	Myers	Young
Green	O'Daniel	

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum is present.

The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, after line 7, it is proposed to strike out:

Sec. 2. (a) The second sentence of subsection (a) (2) of such section, as amended (U. S. C., 1940 ed., Supp. IV, title 19, sec. 1351 (a) (2)), is amended to read as follows: "No proclamation shall be made increasing or decreasing by more than 50 percent any rate of duty, however established, existing on January 1, 1945, (even though temporarily suspended by act of Congress) or transferring any article between the dutiable and free lists."

(b) The proviso of subsection (b) of such section (U. S. C., 1940 ed., sec. 1351 (b)) is amended to read as follows: "Provided, That the duties on such an article shall in no case be increased or decreased by more than 50 percent of the duties, however established, existing on January 1, 1945 (even though temporarily suspended by act of Congress)."

Sec. 3. Such section 350 is further amended by adding at the end thereof a new subsection to read as follows:

"(d) (1) When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any further increase or decrease shall be computed upon this basis of the postwar or postemergency rate carried in such agreement or otherwise.

"(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as 'existing on January 1, 1945,' for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

"(3) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

And insert:

Sec. 2. Such section 350 is amended by adding at the end thereof a new subsection to read as follows:

"(d) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

Mr. GEORGE. Mr. President, this is the amendment about which I spoke briefly yesterday afternoon. For the reasons I stated and for other obvious reasons, I am asking the Senate to disagree to the amendment—in other words, to vote it down.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. O'MAHONEY obtained the floor. Mr. WILEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I desire to speak briefly on the proposed legislation.

Mr. President, I wish first to compliment the speakers who have expressed their ideas on this very important subject. Yesterday I listened with great interest and with profit. I also had the privilege of listening to my Republican

brethren today, and I may say that I listened to them also with great profit.

In all matters with regard to which the human mind has a faculty of disagreeing, we find that individuals state their own premises and then draw certain conclusions from them. I had not expected to speak today; I had desired to review some briefly written notes this evening and make my comments tomorrow; but, in view of the fact that we are apparently proceeding at an accelerated pace, I have agreed to carry on for a brief period this afternoon.

As I have already said, Mr. President, I wish to present briefly a few thoughts with regard to the pending bill which would extend and widen the President's authority under section 350 of the Tariff Act of 1930.

As with so many other important issues which have been under consideration in the past, I think a great deal of buncombe or loose thinking has been built up around the issue which has arisen in this instance. It is essential that the buncombe be displaced by a realistic appraisal of the facts and of the issue. It is to this end that I humbly contribute the thoughts I am about to express.

Mr. President, the Senate has considered the tariff question on innumerable previous occasions, as well as during the past day or so. In my opinion, the following facts stand out in the present controversy, and I now summarize them:

First. The policy of bilateral reciprocity is a Republican policy in its origin, and in its constitutional applications.

Second. The tariff-making power is a Congressional power.

Third. America's standard of living, and her wages are tremendously high in comparison with those of the other nations of the world.

Fourth. There is a wide difference, both in the nature of tariffs and in the commodities covered by tariffs.

Fifth. America's great market in her home market.

Sixth. The actual results of the reciprocal trade agreements have not yet been established. I am sure that the discussion this afternoon has clearly demonstrated that fact. The agreements with the United Kingdom did not go into effect until 1939. So we have no yardstick with which to measure results.

Seventh. It has been established that the Tariff Act did not cause the worldwide depression.

Eighth. It has been established that instead of being a breeder of war, the tariff act actually may serve to prevent war.

Ninth. We do not now know what will be the postwar international trade picture, or what will be any part of it. It is all a matter of conjecture. No one can read the comments being made in relation to the compact which is being drawn up at San Francisco, and no one can listen to radio commentators without a realization that world conditions are in a state of flux. One commentator will speak about the child which is about to be born at San Francisco as a wee

step forward, and another will speak of it as being of no constructive importance whatever.

Mr. President, I repeat that we do not know what will be the postwar international trade picture. Trade, as we have learned during the past few years, in most instances is not a matter of agreement. It is a matter of life and death among the nations. Only today it has been stated in the press that Canada is reducing the gold content of her dollar. Senators know what that will mean to the trade of Canada, and they know what nations will do when they are fighting for their economic lives. I am stating, Mr. President, what I believe to be fundamental premises. Hence the great question in tariff policy is, How will it be administered?

Let me put it very bluntly. Before I became a Member of the Senate, approximately 6 years ago, I had a discussion with a prominent economist who had graduated from one of the great universities of the United States. At that time we had entered into a treaty of some kind with Czechoslovakia in relation to shoes. I called the attention of the economist to a statement which had been made to me by a representative of a little shoe manufacturing concern in my city. He had said to me, "If enough of these shoes continue to be imported, I can buy them cheaper than I can manufacture them, and I will have to go out of business; but I will make as much money because I can buy those shoes and sell them, just as I am doing now." I said to the economist, "What do you make of that?"

He said, "That's all right. We should have trade on a world level."

But, I said, "America has a standard of living, a wage standard, which is so far superior to that of any other country that if we should open the floodgates to imports from other nations, it would simply put us down to their level."

This man, who had the benefit of the best education in the United States, paid for by the taxpayers' money, said, "What of it?" Talk about an educated nincompoop. Think of that remark, "What of it?"

Less than 4 weeks ago another economist who had graduated from a university in New York City came into my office. I told him of this incident. "Why, sure," he said, "that economist was right. You have to protect the consumers of America."

"But, my dear sir," I said, "what of the 2,000,000 men and women employed in the shoe industry in this country?"

He said, "If we can buy shoes cheaper from other lands, the consumer should have the benefit of the cheaper price."

I asked, "What about the 2,000,000 men and women?"

He said, "Let them find employment elsewhere."

So I say to my colleagues, the test of a tariff policy is dependent on how it is administered. None of us who have been in Washington 6 years, who have seen some of the short-haired "gals" and some of the long-haired men who dictate policies in some of the groups downtown, are yet willing to turn over the economy of America to them.

Yesterday we had a graphic picture given to us by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY], when, appearing, as he said, before one of these groups that was engaged in determining the letter and the spirit of a certain trade treaty or agreement, he did not see the head of the department, he did not see the Secretary of State, he did not see even the head of a division; he saw a few advisers sitting there, perhaps an adviser like the two economists about whom I have spoken.

So, Mr. President, I say this job is bigger and the question of cotton is likely to be more serious than may appear at first blush. If Harry Truman, to whom we would delegate this power, were to say that he would sit in on the hearings, if he could possibly sit in—a man born in the West, who knows the value of a dollar, who knows the life of the Middle West, who knows the problems of the workmen and the manufacturers—there would not be any question; but his view must be world-wide, he is taken up with this and with that, he is the executive head of 135,000,000 people, and so when a trade agreement is negotiated it goes not simply to the Secretary of State, who cannot handle it, but regardless of what geographical section of this country may be affected, it goes to the Treaty Division, and that Division will turn it over to a few who will sit in.

Suppose that among them there should be someone who had a special interest. Are there such people in Government? Have Senators ever had any experience of that kind with OPA and WPB? I do not think there is a Senator who can say he has not. I could cite instance after instance, but we are dealing with the economic health of the United States. When, as so graphically stated by the Senator from Wyoming, we who have been given power under the Constitution, we who through the years have seen the powers of Congress literally vanish from us because of the war and emergency, we who now are asked by the people to reclaim powers, are contemplating relinquishing more power, we had better think twice.

Before discussing specific points, let me note some general facts as a background. What does the pending bill propose?

The bill as passed by the House would extend the Trade Agreements Act of 1934 for a further period of 3 years, extending from June 12, 1945.

Second, it would amend the existing act to give the President authority to permit decreases or increases in tariff rates by 50 percent from the level of January 1, 1945. Under this authority any tariff rate in existence on that date which had been lowered by 50 percent through existing reciprocal agreements could be decreased still further to the extent of an additional 50 percent. Thus these rates could be reduced to a maximum of 75 percent from the original tariff rate as it existed on June 12, 1934.

Mr. President, the distinguished senior Senator from Ohio [Mr. TART] today gave illustrations. In the State of Wisconsin we know the history of zinc. We know what happened to the mines in southwestern Wisconsin, in Iowa, and in

Illinois. In my State many bicycles are manufactured. I have had occasion to go into that matter, but I shall not particularize at this time. Throughout the Middle West there are manufacturers of glass, china, crockery, and those industries have grown up during the war because there was none to take our market. There are other things. Textiles have been mentioned. There are roller bearings, and all agricultural products.

I think it can be said with absolute assurance that since the Trade Agreements Act went into effect, in 1934, since which time 28 agreements have gradually been entered into up to 1939, there has not been an agreement of which anyone can say with reasonable certainty that it has really advantaged or really disadvantaged the country to any great extent, except in the case of a few of the articles.

In the light of the provisions of the bill to which I have referred, let us see how the Reciprocal Trade Agreements Act has worked out thus far. We have already concluded reciprocal trade agreements with 28 nations. Since 1934 there has been a total of 1,226 rate reductions in 346 tariff paragraphs, as follows: 230 rates reduced up to 25 percent, 266 rates reduced 26 to 39 percent, 179 rates reduced 40 to 49 percent, 523 rates reduced full 50 percent permitted, 28 rates reduced variable or exact change flexible.

Let us see how these tariff reductions have worked in relation to specific countries. Let us take the United Kingdom and Canada, our two largest customers, which accounted for one-third of our total export trade in 1939. In that year, reciprocal trade agreements with the United Kingdom had reduced rates of duty on almost 75 percent by value of the total dutiable imports from that country. In that year also our tariff reductions were in effect to the extent of 85 percent by value of the total dutiable imports from Canada.

Actually our tariff rates have already been reduced to the approximate level of the Underwood Tariff Act of 1913. The steady reduction in rates under the trade-agreements program has given the United States one of the lowest tariff levels of all the countries of the world.

One of the main arguments made yesterday by the distinguished Senator from Georgia [Mr. GEORGE] was that because of unsettled conditions we should give the further power to the President. I pose this question: Because of unsettled conditions should not Congress reclaim its powers? Should it not do so considering the shape the world is now in? If certain individuals are allowed to deal with our international economy in the manner in which they have dealt with it in years past, with their buncombe concept of what is economy, we will find that America will be continually "sold down the river"; that America will be "sold short."

As Members of the Congress vested with the constitutional obligation and power we are now asked, and we shall probably grant the request, to extend the act which has not had opportunity to demonstrate its effectiveness for good or for evil; we are asked to extend it in this

perilous period so that the tariff rates can be reduced another 25 percent or 50 percent of what they have previously been reduced.

The distinguished Senator from Ohio said that already we allow more than 65 percent of all imports, including raw materials, partially manufactured materials and noncompetitive finished materials, and agricultural implements, to come in free of duty. I think that is a wise provision. As I shall show later there are three classes of this international trade to which we should give particular attention. But between 60 and 65 percent of all imported goods come in free.

With this brief background let us review the major undeniable points, or at least points which I think are undeniable, which have arisen out of the long tariff controversy.

First, the policy of bilateral reciprocity is a Republican policy in origin and in constitutional application. It was the Republicans who originated the doctrine of reciprocity. It is a good doctrine. It is a policy which is embodied in the Constitution, a policy which should come into effect when two nations wish to get together and make a treaty.

Mr. RADCLIFFE. Mr. President—

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. WILEY. I yield.

Mr. RADCLIFFE. I understood the Senator to say a moment ago that reciprocity is a good doctrine. But the Senator also stated a few minutes previously, that in dealing with foreign nations we have been "sold down the river." I think that is the phrase he used but I am not entirely clear that I have inserted the phrase in its proper setting. Now just what policy does the Senator have in mind? Since we began the policy of reciprocal trade agreements, we have entered into a number of such agreements and they have apparently worked very well. In fact I think it is almost the unanimous opinion that they have worked exceedingly well. If the doctrine of reciprocal trade agreements is so naturally sound, then we certainly have to run the risk, as the Senator says, of being "sold down the river." If we are going to deal with other countries we must have the power to do so advantageously. Does not the Senator think that we are in a better position to take care of ourselves if we have the power and authority to negotiate with other countries rather than to be bereft of such authority? If there is any danger of being "sold down the river," which I do not think there is, I believe we can look out for ourselves successfully and have done so. We can surely take better care of ourselves if the President and his advisers have some authority and power and leeway in negotiation than if they have none.

Mr. WILEY. Mr. President, is that a question, or is it a statement by the distinguished Senator? What is the question?

Mr. RADCLIFFE. The question is involved in a statement. I was asking the

Senator how he expected to harmonize his statements. The Senator said that in dealing with other people we are being "sold down the river." On the other hand, the Senator said he believes in reciprocal agreements. How could the two statements be fitted together? How would the Senator adjust them to each other?

Mr. WILEY. Apparently the Senator from Maryland does not recall our dealings in the last 6 or 7 years; how we gave everything; and now, when we ask certain things, we find that our opportunity on the international front is gone. That is a matter of history with which the Senator is thoroughly cognizant. If the Senator says it is a question of Congress giving the President, and through him to his subordinates, a power which is a congressional responsibility, I answer that when we enter into a treaty which the Senate approves by two-thirds majority, then we will have no trouble whatever. The distinguished Senator from Wyoming provides in one of his amendments that after we delegate the power we shall have the opportunity for 60 days thereafter either to approve or disapprove. That would throw around the whole transaction the original basic constitutional band of protection. I shall not go into the history of how we are "sold down the river," if the distinguished Senator does not bear in mind the number of instances that have occurred.

Mr. RADCLIFFE. Will the Senator from Wisconsin yield for one more question?

Mr. WILEY. Yes; I am very happy to yield.

Mr. RADCLIFFE. I promise that I shall leave him in peace after this question. Does the Senator feel that a fair appraisal of the results of the creation, development, and operation of reciprocal agreements is that we have lost out so heavily? I thought the general opinion of people of the country was that that policy has been administered rather wisely, effectively, and beneficially to a high degree. I certainly think so.

Mr. WILEY. I am sure the distinguished Senator did not hear me say what he just now said. What I said was first that trade treaties came into being in 1930, and through the years they gradually evolved until we have 28 of them. The last was either with Mexico or Great Britain, in 1939. It may be that sufficient time has not elapsed to prove their effectiveness, first, because they were in operation during a very severe depression, when all our exports and imports fell off. If I wanted to be unfair, I could use what occurred during that period as an illustration and say that the treaties did not work. But up to 1939 Senators will find that our exports and imports fell off during the existence of the reciprocal agreements. I do not say that was the result of the agreements.

The world was in such a chaotic condition then, as it is now, that with respect to these particular treaties, with the exception of the articles mentioned by the distinguished Senator from Ohio, one cannot say whether they were for better or for worse.

I should prefer to discuss the points I have made seriatim, and give my own views.

Mr. RADCLIFFE. Mr. President, will the Senator yield once more?

Mr. WILEY. Yes.

Mr. RADCLIFFE. When the Senator referred to what he has said was our unfortunate experience in the last 6 or 7 years, I assumed he was discussing our experience under the reciprocal trade agreements, but I judge from what the Senator now says that he did not have those results in mind.

Mr. WILEY. What I had in mind was our great liberal-hearted policy of \$39,000,000,000 in lend-lease, of our trading off this and trading off that, and of our getting nothing in return when we had an opportunity to get something. I am now talking about the policy which existed during the war years.

Mr. RADCLIFFE. Then the Senator's reference to the past 6 or 7 years had nothing whatever to do with the reciprocal trade treaties or results under them.

Mr. WILEY. I have already made it clear that during the years from 1939, the reciprocal agreements had no chance to operate to capacity, one way or the other. I believe that is a fair statement. That is the point which I wish to make clear. I do not wish to be partisan or biased, or credited with assuming that certain facts establish something that they do not establish. So I have said, and I repeat, that in my humble opinion, the fact that the records of imports and exports show that during the period when the treaties were in existence exports and imports decreased does not prove that the treaties themselves were ineffective.

I was speaking on the subject of the policy of bilateral reciprocity as a Republican policy. It was the Republicans who originated the doctrine of reciprocity as a bilateral proposition. It was they who consistently adhered to the policy, along constitutional lines. This was in keeping with the true purpose of such policy, as laid down by President William McKinley, its greatest exponent. In his first inaugural address, President McKinley said:

The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our people, but tend rather to increase their employment.

I believe that that philosophy is wisdom, and that anything that is tested by that yardstick will prove to be sound.

The Republican Party has applied this policy, notably in the case of the McKinley tariff of 1890 and the Dingley tariff of 1897. Let us, therefore, have no loose talk about the administration's fatherhood of this idea. Let us have no more loose talk labeling the Republicans as economic isolationists, or with any other misnomer which smear artists can conceive.

The tariff-making power is a congressional power. Article I, section 8 of the Constitution of the United States provides that Congress shall have power to lay and collect duties, and to regulate

commerce with foreign nations. When the Congress delegates that power to the President, and through him to the State Department, it is the right of Congress, of course, to do so. It is the right of Congress to withdraw that power from the President. It is the right of Congress to limit its delegation of authority to him, to review the exercise of such authority by him, and to take any other step which it deems fit and proper in accordance with its own constitutional obligations and responsibilities. Let us, therefore, have no more loose talk about Congress sabotaging the President's bargaining power.

Where did the expression "the President's bargaining power" come from? He has Executive power. Congress does not trespass on his Executive power. If we use him as our instrumentality, we can prescribe in what field he shall operate, and to what extent. Let us have no more ill-advised chapter, such as I heard one evening recently by a radio commentator, who said, in effect, that Congress was "torpedoing the President's right to engage in tariff bargaining."

I do not wish to indicate what I think of some of those who are presuming to instruct the people. They get an idea, and then they speak from a tower. No one can touch them. They are omniscient. They speak of the President's right to engage in tariff bargaining, as if that were his right. That is our right. Any such authority as the President has in that field he derives from us, the Congress of the United States.

Why am I so insistent? I am no more insistent than is the distinguished Senator from Wyoming [Mr. O'MAHONEY]. When I heard the great Senator from Georgia [Mr. GEORGE], whom I love, speak of the collectivist movement in the world as an argument for granting additional authority to reduce tariffs 50 percent, I scratched my head and sought for the logic of that statement. The collectivist movement comes into being only when congresses and constitutional bodies fail to perform their function and give away their power. Collectivist movements occur not only in the political functions of a state but also in economic functions.

Not so long ago, in a hearing before a congressional committee, I heard a man from downtown say that what we should do was to create great Government corporations to handle foreign trade. Where did he get that idea? Have Senators ever heard of Amtorg? Have Senators ever heard of the great German agency which reached its tentacles into the very vitals of America in the chemical industry and other industries? It was government-controlled and financed. We had better think this thing through, Mr. President. The day of collectivist infiltration has just begun. The struggle of ideologies is still on; and the most important front in the world is the American front, which stands for the democratic way. The fight is greater than the question of simply delegating to Harry Truman or his State Department the power to exercise 75 percent of our power.

Senators know what the plea of all America is. They know it from their mail—not recently, of course, because lately some of the organizations mentioned by the Senator from Ohio have cracked the whip, and their stooges have sent letters and telegrams. The plea of all America is to maintain America American, a government with checks and balances, with an independent executive, an independent legislative branch, and an independent judiciary.

The people are asking Congress, "When are you going to recapture your powers?"

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. The Senator makes a statement as to what all America wants. If all America is against the passage of this bill, as the Senator says, why do men like Ed O'Neal, the head of the Farm Bureau Federation; Mr. Patton, head of the Farmers Union; Dan Tobin, the head of the teamsters' union, and representatives of chambers of commerce, the CIO, and other great organizations come before our committee and recommend the passage of the bill without any amendments?

Mr. WILEY. Just a moment. The Senator is putting words in my mouth. I did not say that all America was against this bill. I said that what all America wants is to have Congress stand on its own feet and recapture its powers. I cannot look into Ed O'Neal's mind or into the mind of a CIO representative or anyone else's. I have views of my own as to the reasons why they support this measure. Thank God, that is still their privilege in America. They still have freedom of petition. When they come here, I do not condemn them for taking a view contrary to that held by me. However, as a legislator, I have a function more important than that of Ed O'Neal. I am one of 96 Members of the greatest body of its kind in the world. My people expect me to use my judgment, although it may clash with that of my fellow men. I made the statement that all America—I would not even except those whom the Senator has mentioned, even though they may differ with me as to the pending proposal—is asking Congress when it expects to reclaim its birthright. By that I mean its legislative function, which, because of the war and others things, it has had to delegate.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TOBEY. Reverting to the remarks of the Senator from Illinois [Mr. LUCAS], let me supplement that discussion by inviting the speaker's attention to the fact that the titular leader of our own party, Hon. Thomas E. Dewey, Governor of New York, has come out forthrightly and foursquare for the adoption of reciprocal tariffs and delegation of power thereunder, as has also Hon. Alfred Landon, who held the same position a few years ago. They are good authorities. We cannot all agree on these things. They speak for a great many Republicans. They have demonstrated

a broad spirit in connection with the important phases of this legislation.

Mr. WILEY. I thank the Senator. I agree that men in the same party may differ.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. WHERRY. Mr. President, the Senator from Illinois mentioned the name of Ed O'Neal, head of the American Farm Bureau Federation, and the Senator said that Mr. O'Neal, speaking for the farmers of this country or, at least, for the organization he represents, recorded them as being favorable to the Reciprocal Trade Agreements Extension Act, as passed by the House. Let me say that Mr. O'Neal does not represent the cattle interests of this country, and he does not represent me—and I am a farmer. I wish to tell the Senate that the farming interests are not in favor of these reciprocal trade agreements and the proposed additional cut.

I hold in my hand a letter I have received from Denver, Colo., from Mr. F. E. Mollin, secretary of the American National Live Stock Association. Here is the concluding paragraph of his letter:

It is our fear that further cuts in the tariff made at request of foreign interests without regard to the effect on American cattle producers can bring disaster to this industry when the war is over and we have to return to a basis of only domestic consumption. We have had no export trade in beef for more than a generation except during the two war periods. The possible heavy imports of cattle, dressed beef, and canned beef from Canada, Mexico, Cuba, and South America with cattle numbers expanding particularly in Canada and Mexico constitute a major threat to our industry and there should be no further reduction in the tariff. The only way to prevent it is to strike that provision from the pending tariff bill.

Mr. President, I ask unanimous consent to have the entire letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

ARGENTINA TRADE AGREEMENT

1941: Canned beef reduced from 6 cents per pound to 3 cents per pound. Hides reduced from 10 percent to 5 percent ad valorem. Tallow reduced from one-half cent per pound to one-fourth cent per pound.

You will note from the above that the cattle industry in this country is at a peak in numbers and that beef production is expanded to a wartime basis and that under the existing trade-agreements law the full 50 percent cut in tariff has already been made on most of the important items affecting the cattle industry; that further reduction of the tariff as proposed in the pending bill would leave only a semblance of tariff protection for this great industry. It should not be forgotten that considerably more than half of the land acreage in this country grows grass and that much of this area cannot be used for any other purpose.

That use of the power to cut tariffs has not been limited to items where existing rates were a barrier to imports is clearly evidenced in practically all of the above items. Cattle imports have moved into this country freely from Canada and Mexico under the rates prescribed in the original Hawley-Smoot Tariff Act. Dressed beef has come in considerable quantity from Cuba in recent years and it is now indicated that Canada,

having expanded its processing facilities during the war, will seek also a reduction in the tariff on dressed beef in order to send part of its exports to this country in that fashion.

Our imports of canned beef from South America prior to the war ran around \$0,000,000 pounds per year—some years higher than that. About the time the war began, when the Army made its first purchases of South American canned beef, it was found that they could undersell the domestic product close to 15 cents per pound. The cut in the tariff from 6 cents to 3 cents was entirely gratuitous.

On hides the original 10 percent ad valorem was a nominal tariff and certainly by no stretch of the imagination could be considered a bar to importations. Records show large importations annually from South America and other countries. There was no excuse whatsoever for the reduction in the tariff on this item.

It is our fear that further cuts in the tariff made at request of foreign interests without regard to the effect on American cattle producers can bring disaster to this industry when the war is over and we have to return to a basis of only domestic consumption. We have had no export trade in beef for more than a generation except during the two war periods. The possible heavy imports of cattle, dressed beef and canned beef from Canada, Mexico, Cuba, and South America with cattle numbers expanding particularly in Canada and Mexico constitute a major threat to our industry and there should be no further reduction in the tariff. The only way to prevent it is to strike that provision from the pending tariff bill.

Respectfully submitted.

AMERICAN NATIONAL LIVE
STOCK ASSOCIATION,

By F. E. MOLLIN, *Executive Secretary*.
DENVER, COLO., May 18, 1945.

Mr. WHERRY. Mr. President, that letter comes from the head—the secretary—of the cattlemen's organization of the United States. Mr. O'Neal is not speaking for them, and he is not speaking for me. I have just returned from Nebraska, and the farmers of Nebraska are not for these reciprocal trade agreements. I wish to add that statement to the address of the Senator from Wisconsin, which is certainly a very forceful one, and one to which we should listen with care.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. WILEY. I will yield in a moment.

Mr. President, first let me say that I do not wish to go into the question of who is for or who is against this particular proposal. I am frank to say that I have not counted noses. I have tried to reason my way through. As was suggested by my dear friend the Senator from New Hampshire [Mr. TOBEY] he has reached another result. I give him full credit for being honest and sincere. That is all I myself ask to be credited with. In this very process, Mr. President, I see in operation our great American system of checks and balances. It is in operation right here on the floor of the Senate, thank God. We are of many different races, and we have different economic, social, political, and—what is more—geographical levels. That very situation gives us here on the floor of the Senate the system which we call the American system of checks and balances, and out of the crucible of the clash of ideas we obtain the results, and then we abide by them.

I wish to say again that I do not desire to have Senators begin to count noses as to who is for or who is against, because that is not the way by which I have reached my conclusion.

Mr. TOBEY. Mr. President, will the Senator from Wisconsin yield at this point?

Mr. WILEY. I yield.

Mr. TOBEY. I was interested in the Senator's statement that he has not counted noses. Of course, I take the Senator's statement at par. Neither have I counted noses, but I am pleased to know that on this side of the aisle there is a growing number of Senators who will vote for extension of the Reciprocal Trade Agreements Act, and the number is growing larger every day. Let me tell the Senator, however, that there are other groups in the United States bitterly fighting this legislation, and their representatives are to be found not very far away from here. In the room to the right of this Chamber sit five fat, sleek lobbyists, with pencils and notebooks, jotting down the names of Senators who are for or against the pending measure, attempting to appraise their attitude, and calling Senators from the Senate Chamber and conferring with them, and conniving how to influence Senators to oppose the extension of the reciprocal tariff agreements and a further reduction in tariffs. That is the lobbying system in action, and that is an evil concomitant of Congress.

We are here charged with a great responsibility, and it is a tragic thing that as we sit here debating this far-reaching legislation, these lobbyists sit out there and go into a huddle with a Senate leader in an effort to bring Senators under the force of their arguments and influences and quid pro quos which, although we do not see them in here, yet function in the Senate lobby around the corner at this very moment, and have been doing so for several days.

So I commend my friend the Senator from Wisconsin for his argument, although I do not agree with him. He has not taken stock of all there is to be considered, but he has presented his argument in a frank and sincere way.

But I say that these lobbyists can go straight to—well, you know where they can go.

Mr. BUTLER. Mr. President, a moment ago I heard the question which was directed by the distinguished senior Senator from Illinois to the distinguished junior Senator from Wisconsin, with reference to the attitude of a certain national organization, to wit, the American Farm Bureau Federation. I merely wish to say that the Farm Bureau Federation of my State does not agree with the Ed O'Neal attitude. I put it that way, instead of saying the attitude of the American Farm Bureau Federation. Let me also say that the National Farm Union, headed by Mr. Patton, does not speak the language of the Nebraska farmers, and I will go a little further in that direction and says that the farmers of Illinois are not in tune with the statement issued for the American Farm Bureau Federation by Mr. O'Neal.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. WILEY. I yield.

Mr. LUCAS. I merely asked the Senator a question, in view of the statement he made to the effect that all America wants Congress to regain its powers. At that time the Senator from Wisconsin was discussing the reciprocal trade agreements. One of the chief arguments which we have heard is that, by means of the agreements, Congress is delegating away its power, and is transferring it to the Chief Executive. I merely mentioned the fact that Ed O'Neal, the head of the Farm Bureau; Mr. Patton, the head of the Farmers' Union, and representatives of the other farm organizations appeared before the Finance Committee, of which the Senator from Illinois is a member, and testified in favor of continuing the trade agreements without any crippling amendments. I do not know whether the Farm Bureau reaches out into Nebraska. Apparently it does.

Mr. BUTLER. Yes; there is a good one there.

Mr. LUCAS. Apparently it does, judging from what the Senator from Nebraska has said.

I did not raise that question at all. There was no reason why the distinguished junior Senator from Nebraska [Mr. WHERRY] should become so heated about cattle again. That was not the point at all. I was merely attempting to make inquiry relative to the broad statement the Senator from Wisconsin had made.

I wish to say in reply to what the junior Senator from Nebraska [Mr. WHERRY] said that I understand that Earl Smith, of Illinois, who is the head of our Farm Bureau, is for these agreements. I think he knows as much about agriculture as any other man in America does. Earl Smith is in favor of continuation of the Reciprocal Trade Agreements Act. He may not represent all the farmers. He is an independent in thought and in his political activities. I think he is a marvelous man. I follow his views occasionally and occasionally I do not. The farmers in my section of the country, in my judgment, have a great stake in connection with the reciprocal trade agreements. I do not know about the cattlemen of Nebraska, but if the Senator from Wisconsin will pardon me for a further moment I should like to say that I do know that the reciprocal trade agreements have not disturbed or hurt the cattle industry up to now. The only thing that is feared is fear itself. That was the substance of the testimony of practically every witness who appeared before our committee. There has been no substantial injury.

The other day the Senator from Ohio, while in the committee, recognized the fact that under the reciprocal trade agreements the injury to the cattle industry has been negligible, in comparison with the total amount of cattle imported to this country.

But when the Senator from Wisconsin indicated that, in his judgment, all America is against the trade agreements, I merely rose to call his attention to the testimony which was adduced before the

committee. When the Senator said he had not counted noses, it seemed to me he should not be telling the Senate about this industry and that industry and the other industry which will be hurt. That has been the basis of his argument. He apparently is counting noses; otherwise, his argument does not hold water.

Mr. WILEY. Mr. President, I object to having the Senator from Illinois put words in my mouth. I did not make the statement which he has attributed to me. I would have to be blind to what has been occurring on the floor of the Senate in the last few days if I were to say that all America is opposed to the trade agreements. I made no such statement. I said that all America is asking when the Congress of the United States will reclaim its constitutional powers. That is the statement I made.

Mr. HATCH rose.

Mr. WILEY. Mr. President, I desire to proceed with my remarks, although first I will yield to my dear friend the Senator from New Mexico.

Mr. HATCH. Mr. President, I should be glad to have the Senator yield to me.

Mr. WILEY. Yes; I yield.

Mr. HATCH. I rise because of the statement made by the Senator from Nebraska, as I understood him, to the effect that Mr. Mollin is head of the cattle industry of this country. Mr. Mollin, as I believe the Senator from Nebraska will agree, is the paid executive secretary of the American National Livestock Association. He is not the head of the association. So far as I am concerned, he does not speak for the cattlemen of America.

Mr. WILEY. Mr. President, I wish to resume.

Third. America's standard of living and her employee wages are tremendously high in relation to those of the rest of the world.

This is the most crucial single factor in our tariff discussion. Our standard of living in relation to the rest of the world is so high that were we to deny tariff protection to our products, the goods of countries with low standards of living and cheap labor could flood into America and undersell our domestic production. This is true in the case of shoes. It is true in the case of minerals, of motor vehicles, of dairy products, and so on. Our relatively high labor costs are not sufficiently offset by our relatively greater worker productivity. Labor represents from 30 percent to as high as 60 percent in the cost of all articles affected by our tariff duties. I ask Senators to compare the real income of American workers with that received by the workers of other countries. In the period from 1925 to 1934, the annual income figures looked like this: China, \$110; Japan, \$353; Germany, \$646; France, \$685; Great Britain, \$1,069; United States, \$1,381. Obviously, unless we are to make some attempt to offset our relatively high labor cost through reasonable tariff barriers, cheap goods will flood into America, close factories, cause unemployment, and lower America's standard of living. That is one terrible consummation which we devoutly do not wish.

Mr. President, I remember that when I was a boy a Mr. Wagner, a great sugar

man, came into my little community. We built a sugar-beet factory. The citizens of the community contributed approximately \$400,000 of hard-earned money. The total population of the community was about 10,000. Extra labor was employed during the sugar-beet season. All at once someone started tinkering with the tariff on sugar. What happened? A bank at Milwaukee had loaned \$100,000 on the factory. The factory was good security for the loan. Subsequently it was forced to close. The machinery and the factory were almost worthless, and the bank was able to obtain only \$10,000 from a sale of the machinery and the factory. The community lost an investment of \$400,000. The employees lost their opportunity to work. The economic current of that community was seriously affected because someone had tinkered with the tariff schedule. The recollection of that experience comes to me now. At that time I was a youngster only 15 or 16 years of age.

Mr. President, let us remember that the unconditional most-favored-nation principle which America follows in each of her tariff agreements provides a keg of dynamite. Thus, if we allow to be imported 4 percent of our total domestic production of any one commodity through a trade agreement with one nation, under the unconditional most-favored-nation clause that allowance is generalized to all 27 remaining nations with whom we have reciprocal trade agreements. If we multiply that 4 percent by 28 the result is 112 percent of our total domestic production. Thus, not a single unit would be produced by America within a short time. Some will say that the reductions are made only in the case of a nation which is a single principal supplier of the particular goods, and that to multiply by 28 is unfair. But it has been proved that these reductions are not always made to principal suppliers. Moreover, in the case of a commodity such as a dairy item which is produced by many countries, the most-favored-nation principle will cause a tariff reduction for all those countries.

Fourth. There is a wide difference both in the nature of tariffs and in the commodities covered under tariffs.

It is important to observe that tariffs may be for revenue purposes or for protective purposes. It is obvious that what we are discussing now is protection or lack of protection of the American market, rather than the collection of revenue. It is important also that we note the differences between commodities. Some commodities are the fit subjects for tariff protection. Others need no protection and should have no protection. Thus, for example, we have:

(a) Commodities which we do not grow or produce at home but which other nations do grow and produce, and which we desire to have imported into America. Such commodities are tea, coffee, tin, spices, and so forth. There is no question that a tariff on such commodities is unnecessary and undesirable.

Then there are:

(b) Certain commodities which we produce and manufacture but which we consume more of than can be supplied

by our domestic producers. A reasonable importation of such goods will not result in depreciating the market price in America. To maintain a low tariff on these products is also to engage in a healthy economic adventure.

Then:

(c) There are other commodities such as rubber, which are necessary for our national defense and which, prior to the war, we did not produce at home, but the production of which we recently entered into during the war. These commodities offer a very fit subject for tariff protection for purposes of national defense.

Then, lastly:

(d) There are regular consumer commodities which are not vital to our national defense, but which compete directly with American products, and would undersell them in our home market unless we protected them with a sufficiently high tariff.

In the light of these various classifications of commodities, we must take action appropriate to each of them. No single generalization in tariff policy will suffice for all of them. We must bear each category in mind, and must make our decisions accordingly.

Fifth. America's great market is her home market.

Let us never forget that our green pastures are here at home, rather than abroad. Let us not sell short the American market, the greatest in the world, for the sake of securing unstable foreign markets abroad. In the course of committee discussions, Department of Commerce experts said that they hoped for an annual export trade of \$10,000,000,000. However, they hoped for a total national income of \$170,000,000,000. Thus, the total exports would amount to only one-seventeenth of the total national income. And let us remember that that \$10,000,000,000 figure is regarded by many persons as a fantastically high estimate. Let us remember that in the period between 1933 and 1940 all the exported products of our 9,000,000 business units—6,000,000 agricultural and 3,000,000 nonagricultural—amounted to less than 5 percent of our national income.

Sixth. The actual results of the reciprocal Trade Agreements Act to date are not yet conclusively established.

It is obvious to all that the reciprocal trade agreements have not had a fair trial. They had only five unstable peacetime years between 1934 and 1939 to be tested. We have all seen conflicting statistics as to their results. If any conclusions may be accepted as to the true story of those statistics, I believe they show that our Reciprocal Trade Agreements Act actually adversely affected our foreign trade. I shall submit a few proofs of this.

America's trade recovery after the depression was very slow as compared to that of other nations. In 1938, the last full year of peace, the United States ranked fourteenth among the leading nations of the world in point of recovery in gold value of exports, as compared to their and our 1929 trade figures. In 1939 our farm exports were lower than those of 1932, in the depth of the depression. But our farm imports were greater in

1939 than they were in 1932. Who, then, can lay any claim that our reciprocal trade agreements have substantially helped the farmer? Is not a conclusion justified that the exact opposite effect might have obtained?

Mr. President, there have been men in high places who are going to have much to do with these tariffs, who have the cockeyed notion that the Smoot-Hawley tariff caused the depression, when, if they had looked up the history of the period, they would have seen that the depression was under way throughout the world and in the United States, when all the forces in the United States which tried to keep something for America built the Smoot-Hawley tariff. Yet these men are going to have to do with the so-called free trade of the world. Do Senators wonder why I hesitate to vote to delegate more power, when I see the way their brains work, when I see that when we try to reason with them they flare up and go cock-eyed?

Mr. President, we are dealing with American values, the most precious things in life. I heard the next Attorney General say today, "I have a wife and two children. I will do my duty." It was a challenge to all of us to do our duty.

Seventh. It is established, however, that the tariff did not cause the worldwide depression.

The Smoot-Hawley tariff of 1930, the highest in our history, was passed on June 17 of that year. We were already in the midst of the depression. This tariff was thus the result of the depression rather than its cause. It was a symptom of America's desire to protect her remaining domestic employment. The erection of tariffs by other nations at that time were symptoms and/or results of the depression just as their currency depreciation, their discriminatory measures, and all the other devices in which they engaged were also symptoms and/or results of the depression. If anything, our tariff served to lessen the harmful effects of the depression and prevent further factory closings and unemployment which might have resulted from the continued importation of goods without substantial tariff barriers in the way.

Eighth. It is established that the tariff, rather than a breeder of wars, actually may serve to prevent wars.

Mr. President, that is another statement made by one of the men who are going to have much to do with the policy of postwar international trade. It is as plain as the nose on one's face that what we are entering into here, and what the Government is becoming a party to, is an international war for the trade of the world, and we cannot sit down in one of our committees and hear these men talk without coming to that conclusion.

In the course of committee cross-examination, it was charged that in asking for a reasonable protection of the American market I was promoting a third world war. I think that the facts justify exactly the opposite conclusion. It is that those who favor America's flooding the world with her goods are actually encouraging a third world war.

I know something about history; I know something about the wars of the eighteenth century between European governments. They were wars for trade, they were wars for expanded trade, for dominion, for continents, and anyone who is familiar with the history of the last 10 or 15 years knows that what we had then was an economic war, that cartels, that depreciated currency, that every utility conceived by the ingenuity of the human mind, was brought into action.

As was said by the Senator from Ohio, the importance of foreign trade is much overstated. Some of us can see—and it was stated before one of our committees—that we had to have an income of \$170,000,000,000, and that it was figured that the total import and export trade should be \$10,000,000,000. My mathematics are not so good just now, but I should say that that would be less than 5 percent, and in the computation exports and imports are taken into consideration, and figures were given by the Senator from Ohio today showing that 65 percent of the imports come in free of duty.

When the war is over we are going to contribute largely to the purchasing power of Europe through tourist trade, we are going to sink our millions, as we have in the past; then we are going to put Bretton Woods into it; then we are going to put the Export-Import Bank into it; then we are going to originate in Congress, as insurance, other instrumentalities to protect trade. Then it is said the Government should have extra tools—we who hold all the chips. No, I do not want to place too big a tool into the hands of those who have the cock-eyed notions that this reciprocal trade business is 99 percent American trade.

Mr. President, I know the lesson of the past. I know how trade wars in goods have led to military wars in blood. Recently an article in a prominent magazine was entitled "An Export Boom May Cause Another War." America, with only 6 percent of the world's population, has normally had about 15 percent of the world's trade. How much more do we expect to take over of world trade?

After President Roosevelt had said that we were going to employ 60,000,000 men by going into the export trade, do Senators remember that a prominent Englishman rose on the floor of the British Parliament, just a few months ago, and said, "That means unemployment in Britain"? Yet some talk here about unity. Did Senators read the address General Eisenhower delivered yesterday? It was not a unity of dollars or trade that he spoke of. It was a unity of ideas, a unity of heart and soul and mind, and when we take away from Britain and cause unemployment among her men and women, are we making for peace? As I have said, there is much cockeyed reasoning about this whole matter.

Unemployment, depression, lowered standards of living, cause desperation in a people, and encourage their resort to military aggression.

Ninth. We do not as yet know the postwar international trade picture.

We know neither the trade picture nor the compact picture. The delegates have not yet had their plenary conference in San Francisco. We do not know what will come out of it. We do not know the social picture. We do not know what revolutions will result in Europe because of undernourishment of the people. We do not know about that.

It is obvious that vast, dynamic changes are occurring every day in the world-trade picture. Right now the nations of Europe are prostrate. They offer a vast market for our goods. They are of themselves unable successfully to compete with us. But in a short time—who knows how long—those nations, we trust, will be back on their feet again.

Did Senators read the statement a few days ago of a German industrialist, that within a matter of 60 days they could put the Ruhr back into production? It was said it was impossible, and now we are taking possession and are not going to let them return to production. But suppose they should. We are talking about imponderables of the future.

When the European nations somewhat recover, they will be able to compete with us. Will we by then have so over-expanded our export industries that we will let ourselves in for a colossal let-down? In the meantime, what will be the effect of aid rendered to foreign nations by lend-lease funds, by Bretton Woods, by UNRRA, by Export-Import Bank loans? What will be the shape of trading institutions in foreign countries? Will they increasingly resort to government trade organizations, such as Amtorg? Will we find that our private enterprise is competing with government enterprise in other nations which have a monopoly on their export trade? We do not know the answers to these questions. Is it not foolhardy to make any irrevocable plans for our future trade policy? Can we not decide upon that policy for relatively short periods and then renew it or revise it as the needs appear?

Tenth. The great question in tariff policy is how will it be administered.

If we give certain individuals absolute power to take action upon which we do not have to pass, how will they use the power? What special interests will they serve? Have Senators not heard of special interests in government? Will they sell out one segment at the insistence of another? The human mind is a queer contraption. Individuals are not always conscientious trustees of public affairs. I am not a pessimist, but for 6½ years I have been in Washington, and have seen many things take place. My obligation is to protect the economic life of America within the scope of the constitutional powers delegated to me.

As with all other Government affairs, management will play a crucial role in the realization of our trade objectives. If we give the authority to the President to revise our tariffs downward as well as upward, and if that authority through necessity is redelegated by the President to the State Department, and if some square peg in a round hole in that Department makes a downward reduction which because of the unconditional most-favored-nation principle multiplies the

reduction manifold, among many nations, catastrophe will result. Cheap goods will flood into America, factories will close and workers will lose their jobs. Obviously, we must only have the finest type of personnel to exercise our tariff-making powers. Obviously, we need men who will look out for the best interests of America while encouraging reasonable trade with the rest of the world.

Mr. President, if I wanted to be unfair I could draw a comparison between 1930, when we passed this law, and 1939, when the war opened, and I could show the Senate that there were, in the case of some dairy products, imports from abroad, when I as a farmer received as little as 99 cents a hundred pounds for milk. I cannot definitely say that the low price I received was due to the imports of dairy products; but I know that New Zealand butter is waiting to come in, and I know that foreign cheeses are ready to come in, and I know that the lifeblood of my State is dependent upon what the soil produces. Fifty percent of my State is engaged in industry. My State produces 56 percent of the cheese made in this country. In the production of butter it is second among all the States of the Union. It produces more milk than any other State. But if we permit the impact to be made upon our America of imports such as can readily be contemplated, oleo, for example, the importation of which is now being manipulated, we can easily imagine what will happen. Senators know that because of the number of points required to obtain it, much butter is becoming rancid. People want butter. Who is manipulating that? Who is making it possible to thwart the people's desire for this great food, the greatest food in the world, if you please—butter, together with milk and cheese? People are not getting butter, and the market is being flooded with a synthetic product, which is being advertised everywhere. Who is agitating in favor of coloring this product so it will look like butter? Mr. President, when we consider this, let no one say there are no special interests.

There is one further argument I should like to make, but I shall do no more than touch upon it. Much of the clamor for this policy we are discussing today has come from individuals and corporations which already possess—listen to this Senators—ironclad protection from foreign imports through means of import quotas. I have not as yet heard the question of import quotas discussed on the floor of the Senate. They limit competition. Yet there are some who would turn this power over to a Government agent downtown who could sabotage the great industries and the industrial life of America. Import quotas obtain, for example, in the case of cotton and tobacco.

It is small wonder that this clamor comes therefore from certain groups? Yet the very fact that they themselves have protection in the form of quotas is proof that protection is necessary for others. I do not question their right to have such protection, but I say that other American producers have the right to protection of their goods.

Mr. President, the American market belongs to Americans. In the light of all the previous statements I suggest that if we delegate this power to the President, it be delegated for 1 year only, in view of world conditions. If it cannot be for 1 year, then let it be for 2 years.

On a broader basis, I am in favor of the following propositions:

First. That the Congress by majority vote should have the right to veto any trade treaty which may be negotiated under the act, such right to be exercised within 90 legislative days of its submission.

Mr. President, I do not agree that all the wisdom on this subject is found in a subdivision of the State Department. I have not yet seen any omniscient individuals who know it all; but I have seen many who are, as I call them, segmentists—segment thinkers, men who think only in relation to one piece of pie, whereas there are eight other pieces. So in view of the difficult period in which we now live, dynamic in its possibilities for good or evil to our beloved America, in view of this period so full of change, I believe it would be well for us to keep a hand on the plow.

Second. I believe further that proclaimed reductions in rates should not apply with respect to any country found to be discriminating against the exports of the United States.

Third. I believe also that concessions made by the United States in the period immediately ahead should not be extended to third countries except in return for concessions which the President finds to be reciprocally equal and equivalent. It is as apparent as the nose on one's face that Great Britain is approaching this subject on a bilateral basis, not on a unilateral basis. She recognizes what is ahead.

Fourth. That the importation of certain products, materials, and items certified to be essential to the national defense by the Joint Chiefs of Staff of the Army and the Navy shall be limited by a quota in order to preserve and maintain those industries in the United States which are essential to our national defense.

Mr. President, I have about concluded. I think that ahead we are facing difficult times. During periods when we face challenges so important to the future welfare of the Nation, we of the Congress must be very careful, when we delegate constitutional power, not to sabotage the system known as checks and balances in government. To me that is very important. My own State produces zinc, cheese, flax, and corn. Wisconsin, which is 50-percent industrial, is developing industries it did not have before, which have arisen out of the war.

In conclusion, Mr. President, remember that these reciprocal treaties must not be entered into if they will operate to sabotage the ingenuity of the American people which has come into being since Pearl Harbor. We have done the impossible. We will continue to do so. We have gone into synthetics. We are going into the new science of electronics. We must not make it impossible, by reciprocal agreements, for our people, through their

industry, courage, and ability, to develop our manufacturing.

Around the corner there is peace or war. I believe that America should be made as strong economically, as strong militarily, and as strong politically as it is humanly possible to make it. I believe that only in that way can America become the real lighthouse of the world, with its gleams of light radiating through the nations of the earth. Peace will then come. If we weaken American industry we do not help the world. All the world is looking to us, not simply for the dollar but to see whether, in peace, the American idea will stand as it stood in war; whether or not in peace, collectivist or totalitarian ideas which have come out of Europe can overcome the American idea. A healthy America will permit the American idea to remain supreme.

COST OF PRODUCTION FORMULA AS APPLIED TO AGRICULTURAL PRODUCTS—THE WHERRY AMENDMENT

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an extract from the CONGRESSIONAL RECORD, April 12, 1933, being pages 1551 and 1552, containing a statement by the then Secretary of Agriculture, Mr. Wallace, in opposition to the application of the principle of the cost-of-production program, which was covered by the Wherry amendment a day or two ago.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Mr. BANKHEAD. Mr. President, if the Senator from Michigan will yield, I shall be glad to send to the desk and have read a statement which Secretary Wallace has sent to me.

Mr. VANDENBERG. Let it be read, Mr. President.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

"COST OF PRODUCTION AND FAIR EXCHANGE VALUE

"I find there is much misunderstanding about the meaning of the terms 'cost of production' and 'fair exchange value' as used in this bill. Cost of production means so many different things to different people. There are some who today say that the cost of producing a bushel of wheat is \$1.50, whereas others say that it is only 40 cents, and perhaps both are right.

"The Department of Agriculture in June of 1932 published figures indicating that for the year of 1931, the cost of producing a bushel of wheat in the United States was 81 cents. This figure was an average of 2,930 individual farm reports, and, undoubtedly, some of these farmers reported average costs of more than \$2 a bushel, whereas others reported costs of less than 40 cents. The question I would raise is, 'Is it fair to take the average cost?' If so, let us project this figure of 81 cents for 1931 into the present situation.

"Land values and labor values today are both less than three-fourths of what they were in 1931. If the yield this year were the same as in 1931, it is probable that the methods employed by the United States Department of Agriculture would give the cost of producing wheat in 1933 as very little more than 60 cents a bushel.

"Figuring the cost of producing cotton in the same way, we get for the year 1933, assuming an average crop, a cost of around 8 cents a pound. In like manner with hogs—if we assume the cost of corn at 20 cents a bushel, man labor at 15 cents an hour, and horse

labor at 10 cents an hour—we get a cost per hundredweight, according to competent authorities, of around \$2.65 a hundred. These figures, as just cited, are cost of production according to the definition as hitherto customarily employed in the Department of Agriculture.

"Frankly, I believe that cost of production, when used as a measuring stick under conditions as they exist today, might do a very real injustice to the farmer. Cost of production, in the sense in which it is ordinarily used, is likely to have written into it a terribly deflated land charge, man labor at 15 cents or less per hour, and horse labor based on unfairly low-priced corn, oats, and hay. The cost of producing hogs which I have given above illustrates what I mean. Everyone knows that if the farmer grows the corn which he feeds to his hogs, it is impossible to produce hogs at \$2.65 a hundred. If the farmer buys his corn, however, it may be possible. How can you distinguish between the farmer who grows the corn which he feeds his hogs and the farmer who buys his corn?"

"Secretary Wallace in 1920, in his book, *Agricultural Prices*, wrote as follows concerning the theory of cost of production and ratio price:

"Those who have given the most thought to price fixing, advocate as a guide 'cost of production plus a reasonable profit.' But what is cost of production? Even in industries so well controlled by man as coal mining, where the weather does not enter in, there are some mines that can produce a ton of coal for \$2 or \$3, while other mines cannot produce a ton of coal for less than \$6 or \$7. The North Dakota wheat farmer, in a year of rust, may produce wheat at a cost of \$4 or \$5 a bushel, whereas the Kansas farmer the same year may produce wheat at a cost of only a dollar or a dollar and a half per bushel. Shall both the Dakota farmer and the Kansas farmer be paid cost of production plus a reasonable profit for their wheat? From this standpoint we see that there is no such thing as a standard cost of production. A single producer may be able to determine his personal cost of production of a given quantity under a given set of conditions. But in the general sense, as it is commonly thought of, cost of production is a will-o'-the-wisp, a creature that seems to exist but really does not.

"Nevertheless, there is a rough-and-ready method of determining cost of production or just price as distinguished from *laissez faire* or supply-and-demand price. We refer to the ratio method of price determination. Over any long period of years hogs sell on the Chicago market at a price per hundredweight equal to the Chicago price of 11.5 bushels of corn. When hogs have sold for 14 bushels of corn, they have sold for more than cost of production plus a reasonable profit, while on the other hand when they have sold for 9 bushels of corn, they have sold for less than cost of production plus a reasonable profit. All this is not saying that certain producers have not been able to make a profit when hogs have sold for 9 bushels of corn. Neither is it saying that certain producers may not have been selling at a loss when hogs sold for as much as 14 bushels of corn. It is simply saying that it has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the hog business year in and year out to supply the demand of this country for hog products during the past 60 years. This is what we mean by the ratio method of price determination. It is the only practical method of determining cost of production in such a business as farming, where there are millions of producers working under a variety of conditions."

"The ratio price as described by Secretary Wallace is similar in philosophy to fair ex-

change value, as described in this bill. The difference is that fair exchange value concerns itself with a ratio between the price of certain basic agricultural products and the price of things which farmers buy. Secretary Wallace said in the statement which I have just quoted: 'It has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the hog business year in and year out to supply the demand of this country for hog products during the past 60 years.'

"In like manner I say that in the long run there must be paid a fair exchange value for farm products in order to result in the production of enough food to keep people from starving to death in this country. I make this statement advisedly, realizing that a whole generation of farmers may produce food for far less than a fair exchange value before they and their children finally give up in despair. We do not wish the answer of brute nature red in claw and fang. To avoid such an outcome, we want to get true cost of production to our farmers as rapidly as conditions will permit. That is the object of this bill. I believe the true cost of production is fair exchange value as defined in this bill. Frankly, I am afraid of the term 'cost of production' as used in part 3 of this bill. It is too elusive; there are too many kinds of cost of production. It would be possible for a Secretary of Agriculture equipped with one set of prejudices to do a grave injustice in this part of the bill to the farmers, whereas another Secretary of Agriculture, with a different set of prejudices, might do a grave injustice to the consumers.

"What we want is the conception of a just price which maintains an even balance between producers and consumers. Fair exchange value, as defined in part 2 of this bill, is a mathematical effort to define such just price. I am willing to admit, of course, that the price ratio between the things which farmers sold in the prewar period and the things which farmers bought may not necessarily represent in all particulars a fair exchange value today. It may be said on the one hand that the use of combines today makes it possible to produce wheat for a somewhat lower price than fair exchange value calculated in this way would indicate. On the other hand, it may be said that the impoverishment of our soil which has taken place may render necessary an increased use of fertilizer which would cause the true fair exchange value to vary in the opposite direction.

"These niceties of ratio-price determination cannot be gone into a time of emergency like this. I believe that the fair exchange value as set forth in this bill approximates very closely to true cost of production and that it is essentially much closer to true cost of production than the figures printed annually by the United States Department of Agriculture. These figures, unfortunately, have written into them the depression in land values and hired farm labor of the year preceding. They have written into them the results of the unbalanced situation which has been with us so long. We are now striving for a state of true balance, and the concept of the fair exchange value will help us to realize that state."

Mr. VANDENBERG. Mr. President, may I inquire of the Senator from Alabama who is the author of this treatise which has just been read? No name was announced at the desk.

Mr. BANKHEAD. It is a statement that has been sent up, written by Secretary Wallace.

THE OREGON LAMB PROBLEM

Mr. MORSE. Mr. President, a few days ago, on behalf of the senior Senator from Oregon [Mr. CORDON] and myself, I offered for the RECORD a telegram

of May 30 sent to Mr. Chester Bowles, head of the OPA, dealing with the Oregon lamb problem. On June 12, Mr. Bowles finally got around to writing me a letter in answer to my urgent telegram of May 30. I have his letter, and I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 12, 1945.
The Honorable Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: This is written with reference to your telegram in which you discuss the lamb situation in Oregon and in which you make the request for both yourself and Senator GUY CORDON for a report on the steps taken by the Office of Price Administration to deal with the problem.

I understand that you have had some conversations with Mr. Arval Erickson, Chief, Meat Branch of the Food Price Division, and that he has passed on to you the information and reports both this agency and the War Food Administration have received regarding the marketing of lamb in Oregon and Washington. You probably know, too, that representatives of the Office of Price Administration are meeting with lamb producers in Chicago this week. Upon their return I am sure that Mr. Erickson will again contact you and report any steps that the Government feels may be necessary to deal with any problem that exists at this time.

Apparently, on the basis of reports on the situation as of the past week end, there was no evidence that the general public interest would be served by allowing lamb to be consumed point free in that area at this time. However, if markets do become congested I am confident that the Government will take such steps as may be necessary to solve the problem in the best interest of producers and consumers.

Your understanding of the difficulties this agency faces in dealing with the meat problem is very much appreciated.

Sincerely yours,

CHESTER BOWLES,
Administrator.

Mr. MORSE. Mr. President, of course the letter is totally unsatisfactory. It constitutes a report of delay. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks my reply to Mr. Bowles as of this date.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
June 13, 1945.

Mr. CHESTER BOWLES,
Administrator, Office of Price Administration, Washington, D. C.

DEAR Mr. BOWLES: In reply to your letter of June 12, 1945 (file reference 7041), I wish to state that I had a conference yesterday, June 12, with Mr. Erickson and Mr. Bosch, who informed me that discussions were being carried on between OPA and the WFA in regard to the Oregon lamb problem. They expressed the view that they were confident that a market would be found for Oregon lamb, either through Government buying or by way of other Government help in a manner which would protect the interest of the producers. They gave me the reasons as to why OPA, at least at the present time, does not believe that an attempt should be made to solve the

problem by way of lifting ration points as was done late in the season last year.

I do not agree that it would be a mistake to lift the rationing points on lamb in the Northwest section of the country, especially if the alternative is meat spoilage and waste and unjustifiable loss to the producers of lamb. If, on the other hand, the matter can be handled through Government purchases, or by carrying out of any of the other suggestions which Mr. Erickson and Mr. Bosch mentioned to me in the conference in my office yesterday, then I can see the desirability of handling it in that way rather than by lifting the ration points. I agree that to the extent possible the rationing program should be uniform throughout the country, but at the same time I do not think we should make a fetish or a sacred cow out of the principle of uniformity of policy in rationing. If, by lifting ration points on any particular consumer product, we can prevent waste and spoilage and, if that is the only feasible way of preventing that waste and spoilage, then I think it is only a matter of common sense to lift the ration points for whatever period of time may be necessary to prevent such economic and food loss.

I told Mr. Erickson and Mr. Bosch that as soon as OPA and WFA decided upon the program that was to be followed in endeavoring to solve the problem, I would appreciate receiving a written memorandum which I could use in answering the many letters and telegrams which I have received, and will continue to receive, from my State in regard to this critical matter. I also told them that, in the meantime, I intended to press for a very early solution of the problem because I consider it my public duty to do everything I can to prevent OPA from injuring unnecessarily, for the third lamb-marketing season, the lamb producers of my State. This is a problem which simply must be solved in fairness to the producers of these lambs, as well as in fairness to the consumers, and I can see no justification for any further delay in the matter.

It is a problem which your organization knew would present itself again this season, as it has the past two seasons. It is a problem which Senator Cordon and I discussed with the heads of your organization several times since the convening of this Congress and finally, when it was obvious that we were not getting anywhere with it so far as the OPA was concerned, I sent you my wire of May 30, to which your letter of June 12, is in answer.

I sincerely hope and trust that within the next few days this very troublesome problem will be handled in a satisfactory manner by your organization.

Sincerely yours,

Mr. MORSE. Mr. President, yesterday afternoon Mr. Bowles sent two representatives of his organization to my office to discuss with me the steps contemplated by the OPA with regard to the Oregon lamb problem. I told those gentlemen, as I told Mr. Bowles in my letter today, that when they reach some decision I would appreciate it if they would give me a written memorandum which I can use in meeting the objections which are flooding me from my State in protest of the continuation of this very serious wrong on the part of OPA in regard to the Oregon lamb problem.

Mr. President, I intend from time to time to continue to focus the attention of the Senate on this problem, because it is an excellent example of the type of inefficiency and public disservice which, in my opinion, characterizes the program of OPA in handling the meat problems of this country. I for one intend

to continue to raise my voice in protest until OPA takes the necessary action to see to it that the livestock producers in my State, who are producing lambs about which I have spoken in the past, are done justice, and not wrong by the OPA.

I wish to point out that there is no rationalization that Mr. Bowles can present in justification of the delay, because it involves a problem which is 2 years old. As I previously stated, for 2 years this great injustice has been perpetrated upon the lamb producers of my State. The OPA has had months of notice. Since the beginning of this year the distinguished senior Senator from Oregon and I have continued to serve notice on OPA that we want action in regard to this matter.

At the risk of boring my colleagues in the Senate, let me say that I think it is the public duty of the Members of the Senate to acquaint themselves with this example, because I think it is a typical example of the many instances of inefficiency and wrong being committed on the American consumer by OPA.

In closing, I repeat that I yield to no other Member of the Senate when it comes to supporting the statutory objectives of OPA. I believe it to be my duty, in support of those statutory objectives, to see that the administrative abuses of OPA are corrected. If Senators on the other side of the aisle cannot take the necessary steps to see to it that Mr. Bowles corrects those abuses, I shall continue periodically to rise on the floor of the Senate and point them out. I shall continue to protest until this administration takes some effective action to see to it that the administration of OPA is improved in the interest of the American people.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONFIRMATION OF NOMINATION OF WILLIAM D. PAWLEY TO BE AMBASSADOR TO PERU

Mr. GEORGE. Mr. President, if no other Senator desires to address the Senate this afternoon, as in executive session, I wish to submit a unanimous consent request. I have conferred with the Senator from Maine [Mr. WHITE], the minority leader.

I ask unanimous consent, as in executive session, for the present consideration of the nomination of William D. Pawley to be ambassador to Peru, which nomination was reported favorably earlier in the day by the Committee on Foreign Relations.

Mr. WHITE. Mr. President, as I understand, this nomination was reported earlier in the day. Under ordinary circumstances it would go over until tomorrow. However, I believe that there are circumstances of some urgency which make it desirable that this nominee reach

his post at the earliest possible moment. I therefore hope that the request of the Senator from Georgia will be favorably acted upon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of William D. Pawley to be ambassador Extraordinary and Plenipotentiary of the United States to Peru.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. GEORGE. I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

NOMINATION OF MONNETT B. DAVIS TO BE MINISTER TO DENMARK

Mr. JOHNSON of Colorado. Mr. President, in executive session on June 7, the nomination of Mr. Monnett B. Davis to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark was confirmed. At that time I overlooked the opportunity which that confirmation gave me to say a word in behalf of Mr. Davis. I now ask unanimous consent, as in executive session, to have printed in the Record at this point as a part of my remarks a brief statement in that connection.

Mr. GEORGE. Mr. President, I have no objection; but I will say to the Senator from Colorado that the secretary of the Committee on Foreign Relations advises me that the Colorado Senators were consulted, and approved the nomination.

Mr. JOHNSON of Colorado. That is correct, but I overlooked the opportunity at that time to say a few words in behalf of Mr. Davis.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the statement was ordered to be printed in the Record, as follows:

The President, the Senate, and the country are to be congratulated upon the confirmation on June 7, of the nomination of Monnett Bain Davis to be Minister to Denmark.

Mr. Davis earned his promotion the hard way. He is not a fat cat playboy who made a sizable contribution to a political campaign. He entered the Foreign Service at the close of the last war and advanced step by step through the years to the high office of Envoy Extraordinary and Minister Plenipotentiary to Denmark. The responsibility of reestablishing our long and friendly economic and cultural relations with Denmark and the Danish colony of Greenland is now his.

Mr. Davis graduated from the University of Colorado in 1917, and was a member of the Colorado National Guard when we entered World War I. Colorado is proud of him and wishes him well in his new task.

RECESS

Mr. GEORGE. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 21 minutes p. m.) the Senate

took a recess until tomorrow, Thursday, June 14, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 13 (legislative day of June 4), 1945:

FEDERAL COMMUNICATIONS COMMISSION

William Henry Wills, of Vermont, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1945, vice Norman S. Case, term expired.

COLLECTOR OF CUSTOMS

Harry M. Durning, of New York, to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

UNITED STATES MARSHALS

John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania. Mr. Sloan is now serving in this office under an appointment which expired March 29, 1944.

Henry Robert Bell, of Tennessee, to be United States marshal for the eastern district of Tennessee. Mr. Bell is now serving in this office under an appointment which expired May 17, 1945.

John S. Denise, Sr., of Washington, to be United States marshal for the western district of Washington, vice Herbert W. Algeo, resigned.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the United States Public Health Service:

TO BE SURGEONS EFFECTIVE DATE OF OATH OF OFFICE

Norvin C. Kiefer Myron D. Miller
George L. Fite Arthur W. Newitt

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

James W. Moffitt, Guadalupe, Calif., in place of Corinne Dolcini, resigned.

Eva B. Wood, Newhall, Calif., in place of L. O. Duchene, resigned.

CONNECTICUT

Carl J. Lauretti, Farmington, Conn., in place of T. H. Collins, deceased.

INDIANA

Jacob C. Fleck, Cedar Lake, Ind., in place of Emma Knesek, resigned.

KENTUCKY

Marian C. Harned, Boston, Ky. Office became Presidential July 1, 1944.

MAINE

George M. Evans, Sherman Mills, Maine, in place of P. B. Seavey, transferred.

MARYLAND

Laura E. Linkins, Cabin John, Md. Office became Presidential July 1, 1943.

MISSOURI

John E. White, Hunnewell, Mo. Office became Presidential July 1, 1944.

NEW YORK

Lester J. Williams, Canastota, N. Y., in place of D. A. Lewis, deceased.

OHIO

Katherine Matson, Maynard, Ohio. Office became Presidential July 1, 1943.

TENNESSEE

Richard M. Morelock, Persia, Tenn. Office became Presidential July 1, 1944.

Emma Anderson, Unicoi, Tenn. Office became Presidential July 1, 1943.

TEXAS

Elbert W. Franklin, Floresville, Tex., in place of B. T. McDaniel, transferred.

WEST VIRGINIA

Ina Knapp, Cedar Grove, W. Va., in place of C. A. Skaggs, deceased.

CONFIRMATION

Executive nomination confirmed by the Senate June 13 (legislative day of June 4), 1945:

FOREIGN SERVICE

William D. Pawley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 13, 1945

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the name of the Lord our God who inspires to clearer vision with broader sympathies and larger achievements. Keep us as a people in the vanguard of the upward movements toward the final triumph of good over evil, in proud submission to Thy holy will, facing a glorious destiny among the nations of the world.

Holy Spirit, restore unto us something of our birthright and grant that sorrows which surged about us may be assuaged; bestow upon us blessings of patience, filled with divine longings that move the soul and impart comfort and cheer to every care-shadowed life. Do Thou have compassion upon any who may be burdened, whose doubts and fears are greater than their joys. Through discipline and limitations do Thou increase our strength in all those virtues that make us better men and women, and we shall praise Thee in all our works. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 830. An act to provide for designation of the United States Veterans' Administration hospital at Sioux Falls, S. Dak., as the Royal C. Johnson Veterans' Hospital.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3306. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. BURTON, Mr. BALL, and Mr. WILLIS to

be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD explaining briefly the provisions of three bills which he introduced today dealing with the national program of wildlife conservation.

Mr. HEDRICK asked and was given permission to print in the RECORD an editorial from the Charleston Gazette, of Charleston, W. Va.

GOLD-MINING INDUSTRY OF AMERICA

Mr. BUNKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BUNKER. Mr. Speaker, no branch of our economy has made a greater contribution to the war effort than the mining industry of America.

And, paradoxically, no government in the world has dealt more harshly with its own gold miners than our country.

Under the terms of a War Production Board Order L-208, gold mining was stopped by the WPB more than 3 years ago.

The result is that today colonial England is the largest producer of gold in the world and Russia has replaced the United States as the second greatest. Gold production is being subsidized by the Canadian Government.

Allied countries all have enjoyed priorities on gold-mining equipment manufactured in the United States during the war, while our own producers have been denied access to the same.

Today our Government is buying South American gold, while our own gold mines disintegrate.

The War Production Board now has under consideration relaxation of its order, L-208.

More than 1,000,000 of our fighting men will be returning in the months just ahead to find employment in private industry; other hundreds of thousands of workers will be released from plants no longer required to win the war.

War manpower shortages can no longer be an argument for continuance of L-208.

It is essential that the barriers against the gold-mining industry be speedily lifted.

Failure at this time to relax the restrictions against gold mining would indicate a designed plan to wreck the gold-mining industry and to debase the value of gold and its utilization in our historically sound monetary structure which has carried us through every crisis of the past 150 years.

Confidence in currency is essential to the well-being of any government and any people. Our people have had that confidence in our currency through every period of stress in the past.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia asked and was given permission to extend his remarks in the RECORD and include a short editorial.